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Agrahayana 30, 1882(Saka)

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LOK SABHA SECRETARIAT
NEW DELHI

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N.B.—The sign + above a name of a member on question which are orally answered, indicates that the question was actually asked on the floor of the House by that Member.

LOK SABHA

Wednesday, December 21, 1960/*Agrahayana* 30, 1882 (*Saka*)

The Lok Sabha met at Eleven of the Clock

[MR. SPEAKER *in the Chair*]

ORAL ANSWERS TO QUESTIONS

Cotton Textile Industry

***1028. Shri Kalika Singh:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) what is the economic size of a textile mill in India;

(b) whether there are a number of mills smaller than the economic size;

(c) if so, what steps are being taken to enlarge the size of such units; and

(d) whether cotton textile production in India has shown improvement and if so, how much?

The Minister of Commerce (Shri Kanungo): A statement is laid on the Table of the House.

STATEMENT

(a) The Working Group for the cotton textile industry which went into this question recently expressed the following conclusions:—

> "We are of the view that on balance of considerations, the minimum economic and workable unit of a textile mill in the present conditions should have 12,000 spindles and 300 looms. While this is the absolute minimum capacity, we would also suggest that the industry could as far as possible go up to the level of 18,000 spindles and 400 looms in due course with a further stage of increase to about 25,000 spindles and about 500 looms. In giving this opinion, we are guided by the fact that the industry is slowly going in for finer counts."

(b) Yes, Sir.

(c) Applications from such units for expansion up to the economic level are considered favourably and licences issued.

(d) The production of the cotton textiles is more or less equal to the industry's rated capacity of 5,100/5,200 million yards per annum.

Shri Kalika Singh: How many out of the 428 cotton textile mills in India are of a size smaller than the economic size?

Shri Kanungo: They will be about 51.

Shri Kalika Singh: What is Government doing to bring those textile mills to the standard laid down by the Working Group, besides granting licences for them?

Shri Kanungo: As and when spindles are available these mills are considered on a priority basis. But the objective at the moment is to bring every one up to the level of 12,000 spindles.

Shri Kalika Singh: May I know whether Government is also giving loans to the mills for expansion?

Shri Kanungo: No, Sir.

Shri Tangamani: How many uneconomic units or units having 12,000 spindles or 300 looms have now converted themselves into units of 25,000 spindles and 500 looms during the current year, that is 1960-61?

Shri Kanungo: I have not got the figure, but at the moment 51 mills are short.

Shri Tangamani: Where they are not uneconomic units, that is where they have 12,000 spindles or 300 looms, have they approached Government to increase the unit to 25,000 spindles and 500 looms; if so, how many such mills have approached Government and what progress have they made?

Shri Kanungo: They are not permitted. First, the priority is for mills below 12,000 spindles.

Shri S. R. Arumugham: May I know whether there is any proposal with the Government to issue licences for smaller units so as to decentralise the industry?

Shri Kanungo: No, the objective is to bring each one up to the 12,000 spindle level.

Shri Yadav Narayan Jadhav: How many units are there which do not conform to the standard laid down for an economic unit?

Shri Kanungo: Fifty-one, I said.

Shri Tangamani: May I know whether fresh licences are issued for installing 12,000 spindles and 300 looms or only for 25,000 spindles and 500 looms?

Shri Kanungo: Licences are given on a priority basis, as spindles are available, for those mills which are short of 12,000 spindles.

Shri S. R. Arumugham: May I know whether Government has restricted the issue of licences for starting new spinning mills and, if so, to what period the restrictions will extend?

Shri Kanungo: Yes, Sir, now no new textile mills are permitted unless we get enough spindles to spare.

Shri S. R. Arumugham: Even on a co-operative basis?

Shri Kanungo: Co-operatives are on a priority, but only when spindles are available.

Manufacture of Newsprint

***1029. Shri T. B. Vittal Rao:** Will the Minister of **Commerce and Industry** be pleased to refer to the statement laid on the Table on he 7th September, 1960 by the Minister of Parliamentary Affairs in fulfilment of the Assurance given in reply to Starred Question No. 1028 on the 22nd March, 1960 and state:

(a) whether any report has since been received by Government from Messrs Aschaffenburger Zellostoffwerke, West German firm, which were to carry out large scale tests in West Germany for the manufacture of newsprint from bagasse produced at Shakernagar, Andhra Pradesh; and

(b) if not, when it is likely to be received?

The Minister of Industry (Shri Manubhai Shah): (a) and (b). No, Sir. This proposal has been dropped and the Andhra Government is considering some proposals for establishing a paper factory there.

Shri T. B. Vittal Rao: Am I to understand from the hon. Minister's reply that the proposal by which sixty tons of beggase was to have been sent to West Germany for conducting certain tests as suggested by the firm, has been dropped?

Shri Manubhai Shah: Yes, Sir. We came to the conclusion, after all tecnical examinations, that it is unnecessarily spending too much time to continue these efforts there when we can make paper here. Therefore, that proposal has ben dropped, because the earlier reports were not at all very satisfactory.

Shri T. B. Vittal Rao: Is it a fact that a licence for manufacture of newsprint from begasse has been given to certain people at Walchand Nagar?

Shri Manubhai Shah: There are two factories which are being licensed, and they have the intention gradually to use more and more begasse. It is principally based on imported pulp, of course. But the endeavour will be to gradually reduce the imported pulp by proper experiments here with begasse.

Shri T. B. Vittal Rao: May I know if there are any firms in any country other than West Germany which manufacture newsprint from begasse, because last time I remember the hon. Minister telling us that no country except West Germany manufactures newsprint from begasse.

Shri Manubhai Shah: That is true. But now experiments have been condecuted in the last one year in the United States and Hawai, and there are some good reports that a portion, and even the whole, of begasse could be utilised. Therefore, these two firms which have been licensed in Maharashtra are endeavouring to have a portion of their pulp from begasse.

डा० गोविन्द दास : जहां तक इस बगास का सम्बन्ध है, यह आन्ध्र के सिवा क्या और भी हमारे कुछ राज्यों में होता है, और अगर होता है तो क्या वहां पर इस प्रकार के कुछ कारखाने बनाने का विचार किया जा रहा है, जिससे कि हमको अखबारी कागज बाहर से न मंगाना पड़े ?

श्री मनुभाई शाह : जहां तक अखबारी कागज का ताल्लुक है, बगास के बारे में सरकार कोई खास कदम उठान नहीं चाहती क्योंकि उससे कागज तो बहुत अच्छा बन सकता है, पर यहां सवाल न्यूज़प्रिंट का है। जहां तक पेपर का सवाल है सब जगह बगास मौजूद है जहां पर शूगर फैक्ट्री है, और बहुत बड़ी तादाद में शूगर फैक्ट्रीज को लाइसेंस दिया जा रहा है। उनके बगास में से कागज बन सकता है।

Shri T. B. Vittal Rao: What would be the capital requirement of the proposed two newsprint factories that are coming up in the private sector?

Shri Manubhai Shah: For the present the estimates are about Rs. 8 to 9 crores for a two-hundred-ton-per day newsprint plant.

Regional Labour Institues

+
***1030.** **Shri P. K. Deo:**
Shrimati Renuka Ray:
Shri D. C. Sharma:
Shri Kunhan:

Will the Minister of **Labour and Employment** be pleased to state:

(a) whether regional labour instituees are going to be established in this country with the assistance of United Nations Special Fund; and

(b) if so, where they will be located and what will be their activities?

The Deputy Minister of Labour (Shri Abid Ali): (a) Yes.

(b) At Kanpur, Calcutta and Madras. The main function of the Institutes will be to develop programmes for safety, health and welfare of workers, to set up industrial museums, to carry out industrial hygiene surveys, to conduct training courses etc.

Shri P. K. Deo: May I know if these institutes are going to be located only in the industrial areas or they will be dispersed throughout the country?

Shri Abid Ali: I have named the places where the institutes will be established. The Central institute will be in Bombay and the regional ones will be at Kanpur, Calcutta and Madras.

Shrimati Renuka Ray: May I know how the activities that will be undertaken in the regional institutes will compare with those that will be undertaken in the Central institute at Bombay; will they be of the same type or a reduced scale?

Shri Abid Ali: Of course, the Central institute will be on a bigger scale.

Shrimati Renuka Ray: What is the total cost for each of these institutes?

Shri Abid Ali: The cost of the Bombay institute will be about Rs. 28,27,000, Kanpur Rs. 8 lakhs, Calcutta Rs. 11 lakhs and Madras also Rs. 11 lakhs.

Shri S. C. Samanta: May I know whether all the industrial institutes in the country will be benefited by this or here will be separate institutes also?

Shri Abid Ali: There will be no separate institutes of this kind.

Shri Kunhan: May I know whether the central trade union organisations will be associated in the running of these institutes?

Shri Abid Ali: From time to time, our officer who is in charge, the Chief Adviser, Factory consults not only employers and workers, but other concerned organisations and individuals.

Shri Anthony Pillai: May I know when these institutes will come into being and how much of this money will be spent on building?

Shri Abid Ali: Hired places have been taken for these institutes. Land has been acquired and estimates are being prepared for the purpose of construction of the regional institutes. So far as Bombay is concerned, construction has already started. With regard to the contribution for the Central Institute, 85,000 dollars will be contributed by the U.S.A. and for other institutes, about 351,000 dollars will be contributed by the Special Fund of the U.N.O.

Shri Indrajit Gupta: May I knew whether, as a result of this financial assisance which we are getting for the setting up of these institutes, there is any likelihood that the training courses or the various schemes which will be operated through these institutes will have to be submitted for approval to the foreign agencies which are giving financial help?

Shri Abid Ali: Not for their approval. Of course, in consultation with them, the programme has been drawn up.

Closure of Market of Jute and Jute Products

*1031. **Shri Aurobindo Ghosal:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether the market of jute and jute-products was closed in October, 1960; and

(b) if so, the reasons therefor?

The Minister of Commerce (Shri Kanungo): (a) Yes, Sir. The futures market was closed for two and a half days from the after-noon of 6th October till the 8th October, 1960.

(b) There was a flare-up in the future prices during the morning session of trading on 6th October, 1960, on unconfirmed reports that the Pakistan and Indian jute crops for the current season were much lower than were previously anticipated. The Chairman of the East India Jute and Hessian Exchange Ltd., Calcutta, closed the market to enable the Board of Directors to review the position and to take adequate measures to arrest the speculative rise in prices.

Shri Aurobindo Ghosal: May I know whether the rise in the prices was mainly due to the speculative attitude of the businessmen in jute?

Shri Kanungo: Yes. It was based on wrong information about the availability of jute for the current season which sparked off speculative buying.

Shri Aurobindo Ghosal: May I know if the looms which have been sealed due to this misconception of facts that there will be non-availability of jute will be re-opened and whether the Government will ask the mill owners to re-open these looms?

Shri Kanungo: No. The overall shortage of jute supply remains and the prices and availability of jute in Pakistan are also stiff.

Shri Hem Barua: May I know whether it is a fact that prices of jute goods went up sharply because of the decision of the Pakistan Jute Mills Association to reduce production by curtailing working hours, and whether it is one of the reasons?

Shri Kanungo: I have no information about Pakistan. I have information that the Pakistan jute crop was short this year and the prices of raw jute in Pakistan were much higher.

Shri A. C. Guha: May I know whether, due to the speculative tendency and consequent rise in prices of raw jute jute-products there has been a fall in export during the last few months and if so, what is the amount in price and also the quantity?

Shri Kanungo: I have not got the export figures for November. Obviously, there will be a shortfall because production has been short and the prices have been higher.

Shri A. C. Guha: Is it not true also that the stock of jute products in the Calcutta markets is higher now than it was two months ago?

Shri Kanungo: I have no information about the stock or shipping position of November. My presumption is that the stocks are not higher.

Shri Warior: Owoing to this flare up, how much of the prices went above the ceiling level?

Shri Kanungo: There is no ceiling. Prices went up and therefore a ceiling was clamped after that by the Association.

Shri A. C. Guha: There is a report in the finance journals from Calcutta that the stock of jute products is higher now than it was two months age. Would the hon. Minister make enquiries and take proper steps?

Shri Kanungo: November figures are not available. They will be available before the week is closed.

Shri Hem Barua: In view of the fact that the jute market has registered unhappy fluctuations during these months, may I know what steps the Government have taken to stabilise the market?

Shri Kanungo: Yes. Various steps have been taken by the Forward Markets Commission to regulate trade in futures. Also we have issued licence for the import of raw jute from Pakistan and other sources if possible.

Shri Hem Barua: May I know whether it is a fact that the availability of up-country jute and jute coming from outside also is one of the reasons for the instability of the jute market in Calcutta?

Shri Kanungo: No. The prices, according to our report, in Pakistan which grows the maximum jute are higher.

Shri Hem Barua: May I know whether there is a suggestion to unseal the looms which are sealed already and what steps Government have taken to effect that?

Shri Kanungo: No. The supply position is still very stiff and unless we have an assurance of availability of jute from other countries, at economic prices, it will not be proper to unseal.

Shri Hem Barua: May I know whether it is due to the introduction of the quota system that the market has registered such fluctuations?

Shri Kanungo: No. There is short production all over.

Nangal Fertilizer Factory

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*1032. { **Shri Prakash Vir Shastri:**
Shri Ram Krishan Gupta:
Dr. Ram Subhag Singh:

Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether it is a fact that nearly 300 tons of Oxygen will be wasted every day when the Nangal fertilizer factory goes into full production; and

(b) if so, whether there is any proposal under consideration for its adequate use?

The Deputy Minister of Commerce and Industry (Shri Satish Chandra): (a) The Fertiliser Factory at Nangal will have a surplus of about 265 metric tons of Oxygen per day.

(b) Tenders have been invited for sale of a part of surplus ogygen. The method for economic utilization of the rest is being explored.

Dr. Ram Subhag Singh: May I know when this fertiliser factory will go into production and when gas plant will be installed there?

Shri Satish Chandra: The factory is almost ready to go into production. Final tests are being carried out on the various parts of the plants. I think in a month or two we shall be able to start trial production. As far as the gas plants are concerned, they are all ready and they will simultaneously go into production.

Shri Morarka: What would be the approximate value of 265 tons of exygen?

Shri Satish Chandra: The price of gas is Rs. 4-8-0 per cubic metre.

Shri Morarka: What would be the value of the 265 tons: that is my question.

Shri Satish Chandra: I have got the rate. The calculation has to be made. I could give this figure. About 40 tons make 1 million cubic feet. The rate I have got is per cubic metre.

Shri Yadhav Narayan Jadhav: May I know whether the power supply that is necessary for running the Nangal fertiliser factory is available now?

Shri Satish Chandra: It will be gradually available as the generators at Nangal are commissioned.

Shri Jadhav: May I know when this factory will go into full production?

Shri Satish Chandra: It will start trial runs in about two months time. Then it will take about six to eight months to go into full production. Probably full production will be achieved by the end of next year.

P.M.'s Speeches in U.N.

***1033. Shrimati Renu Chakravartty:** Will the **Prime Minister** be pleased to state:

(a) what were the ararngements made to report the last U.N. proceedings including the speeches of our Prime Minister in the U.N. by the Indian Press;

(b) whether the full text of our Prime Minister's major speeches have been made available to the public in any form other than newspaper reports; and

(c) whether it is a fact that most Indian newspapers depended heavily on Reuter's reports?

The Deputy Minister of External Affairs (Shrimati Lakshmi Menon): (a) The Indian Press normally receives reports of U.N. proceedings through news agencies and their own correspondents, if any, at New York. News agencies and correspondents of some leading Indian newspapers covered the proceedings and carried full reports on the activities of our Prime Minister in the United Nations. In addition, All Indian Radio relayed practically in full the major speech made by the Prime Minister in the United Nations General Assembly on October 3, 1960, and this was broadcast over the entire network of All India Radio.

(b) The full texts of the Prime Minister's major speeches were distribute to the Indian Press and to others who asked for them by the External Publicity Division of the Ministry of External Affairs as soon as these texts were received here either by cable or by airmail.

(c) The bulk of the Indian Press, except for a few newspapers who have their own correspondents in the United States of America, depend largely on the reports of news agencies like PTI Reuter, Agence France Presse etc.

Shrimati Renu Chakravartty: What was the number of the accredited correspondents from India who actually attended the United Nations sessions and covered the proceedings that were held during the visit of the Prime Minister?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): We have not got the number, but there are very few. Very few newspapers have sent their special correspondents to the United Nations. There are two, the *Times of India* and *The Hindu* that have permanent correspondents there. Others occasionally send them.

Shrimati Renu Chakravartty: Does it mean that there were no news agencies like the PTI covering this important session?

Shri Jawaharlal Nehru: The PTI is there, not as a newspaper but as an agency. The PTI is always there, was there.

श्री अ० मु० तारिक : वज़ीरे आज़म की यह तकरीर अक़वामे मुतहिदा में बैन-अलकवामी हैसियत से एक खास मुम्ताज़ हैसियत रखती है । मैं यह जानमा चाहता हूं कि क्या इस तकरीर का तर्जुमा हिन्दी और दूसरी ज़ुबानों में करके लोगों को तकसीम किया गया या नहीं और अगर नहीं, तो पब्लिसिटी डिवीजन कब तक ऐसा करने का इरादा रखता है ।

[وزیر اعظم کی یہ تقریر اقوام متحدہ میں بین الاقوامی حیثیت سے ایک خاص ممتاز حیثیت رکھتی ہے - میں یہ جاننا چاہتا ہوں کہ کیا اس تقریر کا ترجمہ ہندی اور دوسری زبانوں میں کر کے لوگوں میں تقسیم کیا گیا یا نہیں اور اگر نہیں تو پبلیسٹی ڈیوژن کب تک ایسا کرنے کا ارادہ رکھتا ہے]

श्री जवाहरलाल नेहरू: जहां तक मुझे इल्म है, हिन्दी और उर्दू अखबारों ने, दोनों ने इसका तर्जुमा करके छापा है ।

श्री अ० मु० तारिक : मैं यह अर्ज़ करना चाहता हूं कि सब ने तर्जुमा करके नहीं छापा है । हिन्दी और उर्दू अखबारों को ये चीज़ें नहीं मिलती हैं ।

[میں یہ عرض کرنا چاہتا ہوں کہ سب نے ترجمہ کرکے نہیں چھاپا ہے - ہندی اور اردو اخباروں کو یہ چیزیں نہیں ملتی ہیں]

श्री जवाहरलाल नहरू : मैं यकायक नहीं कह सकता, लेकिन मेरा ख्याल है कि मिनिस्ट्री की तरफ से तर्जुमा करके उस को नहीं बांटा गया है ।

श्री अ० मु० तारिक : यह दुरुस्त है कि यह तकरीर आप की है, लेकिन बहैसियत वज़ीरे आज़म की तक़रीर होने से चूंकि यह हमारी पालिसी में एक खास हैसियत रखती है, इसलिये मैं यह जानना चाहता हूं कि अवाम को इससे रूशनास करने के लिये क्या और ज़ुबानों में इसका तर्जुमा करके इसको तकसीम किया गया या नहीं ।

[یہ درست ہے کہ یہ تقریر آپ کی ہے لیکن بہ حیثیت وزیر اعظم کی تقریر ہونے سے چونکہ یہ ہماری پالیسی میں ایک خاص حیثیت رکھتی ہے اس لئے میں یہ جاننا چاہتا ہوں کہ عوام کو اس سے روشناس کرنے کے لئے کیا اور زبانوں میں اس کا ترجمہ کرکے اس کو تقسیم کیا گیا یا نہیں -]

श्री जवाहर लाल नेहरू : मैंने कहा कि है मिनिस्ट्री की तरफ से ऐसा नहीं किया गया । हिन्दुस्तान के अलग अलग सूबों में अखबारों में वह जरूर छपी है पूरी या अधूरी ।

Shri Joachim Alva: Is it not true that where the UN is concerned, the PTI is serving us and Indian journalism through a capable young man who was here as Chief Parliamentary Correspondent of the PTI?

Mr. Speaker: Very well. We do not want to go into details. The PTI is there.

Shri Joachim Alva: What I mean to say is that the UN corresopndent for the PTI in New York is now covering for the entire Indian press. This must be very clear to us. Otherwise, we get mixed up with Reuters.

Shrimati Renu Chakravartty: The speeches of President Nasser etc., have been distributed by the respective Embassies to Members of Parliament in India. I would like to know whether any arrangements have been made to distribute the major speeches of the Prime Minister in the United Nations by our Embassies abroad?

Shri Jawaharlal Nehru: I could not answer with any definiteness, but the normal practice is that these speeches are sent by Morse radio, whatever it is called. Our information services send it to all our missions abroad, and they include it in the publicity material that they issue. I cannot say whether the complete speech was sent, but most of it, I believe, is always sent.

Construction of Godowns in Calcutta

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1034. **Shri Subiman Ghose:**
Shrimati Mafida Ahmed:
Shri Indrajit Gupta:
Shri Aurobindo Ghosal:

Will the Minister of **Works, Housing and Supply** be pleased to state:

(a) whether shell type godowns for keeping food grains in Calcutta were proposed to be constructed;

(b) if so, how many were constructed and the cost incurred uptil now for the same;

(c) whether recently one such godown collapsed;

(d) if so, the number of the dead and the injured;

(e) whether the designer of these type of construction is an Indian or a foreigner;

(f) if he is a foreigner whether the design was approved by the Indian engineers;

(g) whether any compensation has been granted to the victims of the accident; and

(h) the steps being taken to prevent such accidents in future?

The Deputy Minister of Works, Housing and Supply (Shri Anil K. Chanda): (a) Yes, sir.

(b) Six godowns are under construction and the expenditure incurred on them upto date is approximately Rs. 16,82,000.

(c) Two shells of a godown have collapsed.

(d) One died and 16 were injured.

(e) A foreigner.

(f) The design was that of the foreign consultant but Indian engineers gave their views on some aspects.

(g) The relatives of the deceased have been advised to apply for payment of compensation in the Court of Commissioner for Workmen's Compensation, Calcutta.

(h) A high level technical committee has been appointed to investigate into the causes of the accident; the steps to be taken to prevent such accidents in future will be considered on receipt of the Committee's report.

Shri Subiman Ghose: What is the number of the godown that has collapsed?

Shri Anil K. Chanda: Godown No. 3. Two are completed. It was the third which was under construction.

Shr Subiman Ghose: May I know whether cement for the construction of this godown was brought from Madras by sea during the monsoon and in gunny bags?

Shri Anil K Chanda: Yes, Sir. The cement was imported from Madras, and it came by boat.

Shri Indrajit Gupta: May I know whether it is a fact that samples taken of this cement, which was used in the construction of the godown which collapsed in Calcutta, were found to be defective, not up to the specifications; if so, how much loss have we suffered as a result of this collapse? Pending the result of this high-powered techical enquiry committee, is Government considering suspension of further construction of this shell type godowns?

Shri Anil K. Chanda: Various materials which went into the construction of this shell type roof like cement, stones, steel etc., have been sent to the chemical examiners. We have not received reports of the chemical examiners. About the create pieces which were sent, we have received a report that they were considered satisfactory.

So far as the loss involved is concerned, roughly speaking, it is about Rs. 60,000. Through salvage of the steel, we expect to get back about Rs. 10,000. The total loss would be about Rs. 50,000.

So far as the actual construction is concerned, it is not our intention to stop the construction work.

Shrimati Mafida Ahmed: Is it a fact that the steel and concrete used in the construction were of substandard quality and had not been tested departmentally before use?

Shri Anil K. Chanda: I have already said these materials which were used in the construction have been sent to the chemical examiners. We have not yet received the report. As far the concrete pieces are concerned, the reports have been satisfactory.

Shri Tyagi: What nationality does this foreign designer belong to? Had this design been tried in any other country before, or was the first trial made by the designer here in India?

Shri Anil K. Chanda: The designer is of Italian origin. With regard to this type, there was a committee on planned projects presided over by our esteemed colleague, Shri S. K. Patil, and I am quoting from that report:

> "The development of shell structure is one of the outstanding achievements of the day resulting in wider and more economical use of reinforced concrete in large-span constructions. Its structural soundness is already well established."

I may also inform the House that one of the biggest public buildings in Calcutta, the Mahajati Sadan, started by Netaji Subhash Chandra Bose, has a shell roof, and that has also been designed by Mr. Carbone, the engineer.

Shri Tyagi: My question was whether the design had been tried elsewhere.

Shri Anil K. Chanda: I have said, and I have quoted from the report, that it is a well established style of design in foreign countries now.

Shrimati Renuka Ray: To part of Shri Tyagi's question there is no answer. Is the Italian expert who was engaged really an expert on the subject with previous experience; if so, with what qualifications?

The Minister of Food and Agriculture (Shri S. K. Patil): May I say that this Italian expert, Dr. Carbone—although he is an Italian, yet he is in India—is an international authority on this type of construction?

Shri M. C. Jain: May I know whether these godowns were constructed through contractors or departmentally?

Shri Anil K. Chanda: Through contractors.

Shrimati Renu Chakravartty: When contractors carry out the works of the CPWD, is there any machinery whereby the CPWD keeps a watch as to the material that is being used and the specifications etc., and if so, what is that machinery?

Shri Anil K. Chanda: So far as steel and cement are concerned, these, being controlled commodities, as a general rule, they are issued from the CPWD godowns.

Shri Yadav Narayan Jadhav: May I know whether an effort has been made to ascertain how the performance of this type of godown compares with the other types of godowns in India?

Shri Anil K. Chanda: So far as the rice godowns are concerned, these are the first godowns which are being constructed according to this shell roof specification. I may, however, inform the House that at Visakhapatnam, there is a godown of this type, and it has been there for the last several years?

Shri Indrajit Gupta: The hon. Minister has said that about Rs. 60,000 was the extent of the loss suffered due to the collapse of that godown. Whatever that be, will that amount be claimed from this contractor who is responsible for the construction?

Shri Anil K. Chanda: Normally, speaking, yes.

The Minister of Works, Housing and Supply (Shri K. C. Reddy): I would like to add that two of these shell type godowns at Calcutta at this very site, which have been completed—there are ten shells in each godown—are all right. So, there must have been some mistake in the casting of these two shells in the third godown which has collapsed. The whole matter is being enquired into, and I am awaiting the report of the technical committee. So far as the main design is concerned that is, the shell type of construction as my colleague has said, there is no dought about the soundness of the design.

Shri Aurobindo Ghosal: May I know whether the expert engineers in Calcutta are of the opinion that the very plan itself which has got small supports for the roof of 4" is defective?

Shri Anil K. Chanda: I do not know what the opinion of private engineers in Calcutta is. We have appointed a highpowered committee consisting of Dr. Rao of the Central Water Power Commission, our Chief Engineer Mr. Dewan, Mr. Malik, who is the Director of the National Building Organisation, and a representative of the Central Building Research Institute, Roorkee. The committee has met once in Calcutta, and they are going into the details of the specifications.

सेठ अचल सिह् : क्या माननीय मंत्री यह बतायेंगे कि शैल टाइप गोडाउंस् कितने बन गये हैं, उनकी कितनी कपेसिटी है और उनके बनने में कितटी कौस्ट पड़ेगी?

Shri Anil K. Chanda: During the Second Plan period, the Food Ministry has a plan for building godowns for rice and wheat costing about Rs. 6 crores. We are the constructing agency, and we are going to construct six in Calcutta; two have already been completed, and the third one was this where this unfortunate accident has taken place.

Shri Subiman Ghose: May I know . . .

Mr. Speaker: Next question. Is Rs. 60,000 too much of a loss? Let us go to the next question now.

Dandakaranya Scheme

***1035.** { **Shri M. K. Kumaran:**
Shri Aurobindo Ghosal:

Will the Minister of **Rehabilitation and Minority Affairs** be pleased to state:

(a) whether the Government of Kerala have requested the Central Government that Kerala should be given a share in the colonization of Dandakaranya; and

(b) if so, whether the request has been considered by the Central Government?

The Deputy Minister of Rehabilitation (Shri P. S. Naskar): (a) and (b). Yes. A request was received from the Government of Kerala last year by the Union Ministry of Food & Agriculture for the settlement of landless families from Kerala in Dandakaranya. The Government of Kerala were informed that "the development of Dandakaranya is to be done in an integrated manner for the socio-emonomic development of the area with special reference to promoting the interests of the local population which mainly consists of tribals. In this process for settlement from outside immediate priority has been given to the displaced persons from East Pakistan with the concurrence of the State Governments concerned. These States have also their own problems of the landless and over-population. The question of resettlement in Dandakaranaya of persons from other States does not arise at present."

Shri M. K. Kumaran: In view of the fact that the Kerala State is facing very serious difficulties due to over-population, may I know whether the Government of India have considered the question of giving top priority to Kerala in respect of this colonization?

Mr. Speaker: As against the displaced persons?

Shri M. K. Kumaran: Yes.

Mr Speaker: I do not know. The hon. Member may consult the other Members of his own party before he makes that suggestion. The hon. Member wants to give priority to the people of Kerala as against these displaced persons. Does Kerala consist of displaced persons?

Shri Warior: If the displaced persons who are to go to the Dandakaranya area........

Mr. Speaker: Order, order. I am not going to allow questions which *prima facie* would not be accepted. The hon. Member says that top priority should be given to the Kerala people as if the displaced persons would not go there, and there is sufficient space there, and no other State has offered to send its people there except Kerala.

Shri B. K. Gaikwad: May I know how much land the Kerala Government are demanding for colonisation, and how many families would be accommodated there?

Shri P. S. Naskar: They just made a reference of a general nature whether as a matter of policy, the landless people of Kerala could be taken to Dandakaranya.

Shri B. K. Gaikwad: May I know whether it is a fact that a considerable waste land is lying vacant in the Dandakaranya area, and if so, whether it will be found possible to accommodate all the landless people as well as these refugees on that site?

Shri P. S. Naskar: This Ministry is only concerned with the settlement of the displaced persons in Dandakaranya. The lands are under the control of the State Government and released to the Ministry for the rehabilitation of the displaced persons. We have not got an overall survey of how much cultivable land is available.

Shri Chintamoni Panigrahi: May I know whether Government are aware of the fact that the local Adibasis who are displaced have not so far been allotted even one per cent of the land which has been reclaimed so far in Dandakaranya?

Shri P. S. Naskar: That is not a fact. It is the policy of the Dandakaranya authorities that 25 per cent. of the reclaimed land will be handed over to the State Government to be given to the Adibasis. The actual distribution of the land to the Adibasis has been left to the State Government. So far as I remember, the lands that have been released in a certain portion of Pharasgaon have been distributed to the local Adibasis.

Shri Chintamoni Panigrahi: They have not been distributed. Therefore, there is serious unrest among the tribals in Dandakaranaya area.

Mr. Speaker: The hon. Minister's information is different. He will make enquiries.

Shri Chintamoni Panigrahi: The hon. Minister only said, 'I think'.

Shri P. S. Naskar: The land that has been released in Pharasgaon in Bastar district in Madhya Pradesh has been distributed to the local Adibasis.

Shri Jaganatha Rao: In Umerkote also, the land has been distributed to the Adibasis.

Public Sector

***1036. Shri Mohan Nayak:** Will the Minister of **Planning** be pleased to state:

(a) whether it is a fact that an American Economist Prof. J. K. Galbraith has suggested improvements in the functioning of public sector;

(b) if so, what are his recommendations; and

(c) how far Government is going to carry them out?

The Deputy Minister of Planning and Labour and Employment (Shri L. N. Mishra): (a) In April 1959 Prof. J. K. Galbraith informally gave a note to the Planning Commission which *inter-alia* dealt with certain organisational aspects of public sector enterprises.

(b) No specific recommendations have been made by Prof. Galbraith in this note.

(c) Does not arise.

Shri Mohan Nayak: May I know whether the recommendations of this expert are proposed to be carried out in respect of heavy industries in the public sector or other industries like insurance etc. also?

Shri L. N. Mishra: He has not made any specific recommendations. These recommendations made are of a general nature, which are constantly under the consideration of the Planning Commission.

श्री म० ला० द्विवेदी : मैं जानना चाहता हूं कि क्या मंत्री महोदय प्रो० जे० के० गलब्रेथ की रिपोर्ट को सदन की `बूल पर रखेंगे यदि नहीं तो क्यों नहीं ? पबलिक सेक्टर के बारे में सदस्य लोग जानकारी रखना चाहते हैं इसलिये इस सम्बन्ध में जो भी वाकयात हों वे सदन को जानने चाहिएं क्योंकि पबलिक सक्टर पर सदन को कोई बहस करने का अवसर नहीं है ?

Mr. Speaker: Why is the arguing? He may just put a question.

श्री ल० ना० मिश्र : उन की उस प्राइवेट रिपोर्ट को अभी तक हमने सदन के सामने नहीं रखा है और न हम उसे सदन के सामने रखना चाहते हैं क्योंकि वह उन्होंने एक एनफौरमल रिपोर्ट रक्खी थी और हम समझते हैं कि आम पबलिक के लिये यह चीज कोई लाभदायक नहीं है ।

Shri Braj Raj Singh: What are the difficulties?

Mr. Speaker: It is a private one.

Shri Kalika Singh: What is private about the public sector?

Shri Braj Raj Singh: On a point of order. What is private about a report which has been submitted to Government by way of recommendation? What is private about it when it is under the consideration of Government?

श्री ल० ना० मिश्र : यह उनकी निजी रिपोर्ट थी । वह यहां पर खास तौर पर इस काम के लिए नहीं आये थे । वह सोलोन जा रहे थे और तब यहां आये । उनके साथ कुछ बातचीत हुई थी । अब उनकी जो रिपोर्ट दी हुई है, उसको हम समझते हैं कि सदन के सामने रखना उचित नहीं होगा ।

Shri Mahanty: On a point of order........

The Minister of Labour and Employment and Planning (Shri Nanda): So far as this particular Note is concerned, it may be possible to place it on the Table of the House. But so far as the principle is concerned, it would be very difficult to really secure opinion in a private and informal way from eminent people if everything that they say has necessarily to be released for publication. So far as this particular Note is concerned, I do not think there can be much difficulty in placing it on the Table of the House.

Shri Raghunath Singh: When a portion of it has been published in the newspapers, why should it not be laid on the Table of the House?

श्री म० ला० द्विवेदी : पब्लिक सैक्टर के उद्योगों के बारे में किसी भी प्रकार की सूचना को छिपा करके रखने का सरकार को या मंत्रालय को अधिकार नहीं है । पब्लिक सैक्टर के बारे में पूरी जानकारी हासिल करने का अधिकार इस सदन को है और यह भी इसको अधिकार है कि सभी कागजों की मांग कर सके ।

Mr. Speaker: The difficulty arises in this way. Normally when a Minister claims any kind of secrecy or confidence on account of which he says that it is not in the public interest to diclose it or lay it on the Table, I do not press him to lay it on the Table. It is left to him to decide. But very often it is brought to the notice of the House that what is claimed as secret or confidential, which it is not in the public interest to disclose, has already received publicity in the newspapers. Therefore, Parliament seems to be the only place where the news is not available. Either the Minister must exercise greater control over the publication of these things or as soon as such a thing appears in the newspapers, courtesy must be shown to this House by placing the entire paper on the Table of the House. I do not want to encroach upon the right of the hon. Ministers to decide what is in the public interest and whether it is desirable to keep it back from the House, but the moment some kind of detail appears in newspapers, this House will naturally expect that the entire thing should be made available to it, so as to get the correct impression—and not a wrong impression on the basis of what has appeared in the papers—of the thing.

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): May I have some clarity about this so that there may be no misunderstanding? I have listened respectfully to what you have said, but I have not understood on what occasions it becomes the duty of a Minister to place before the House a document that is considered confidential.

Shri Chintamoni Panigrahi: This is not confidential.

Shri Jawaharlal Nehru: Just because

newspapers, because of leakage or otherwise, get some part of it, does that make it necessary for the full document to be placed on the Table of the House?

Mr. Speaker: I am asking the hon. the Leader of the House in answer to the question that he has put to me whether it is all right—let him consider it. I am prepared to modify it; it is not a ruling that I have given—to say that the House is not entitled to know something about it when details have appeared in the newspapers. Of course, hon. Ministers are entitled to say that it is confidential and they are not prepared to lay it on the Table of the House. But when once the matter has appeared in the newspapers in some detail, I would particularly like the hon. Minister to state here on the floor of the House why it should not be placed before the House. If still he thinks that it ought not to be placed on the Table, I will allow him the discretion.

Shri Jawaharlal Nehru: Thank you. So far as I am concerned, I think that this business of considering documents confidential and secret by our Ministries or departments is carried to an unnecessary extreme. I think it is a habit coming back from the old days, of marking all kinds of papers 'confidential and 'secret'. Sometimes they are not so; sometimes, they are of course. That is true. I should like as many papers as possible to be placed on the Table of the House or to be made available to Members. But obviously there are some which it is not desirable to do so, and I shall suggest to my colleagues that they should examine it and not automatically have papers marked 'secret and confidential'.

Shri Mahanty: May I know whether it is a fact that Prof. Galbraith has pointed out certain inadequacies and deficiencies in the administration of the public sector? And is that the reason for the Minister to say that it is confidential and cannot be placed on the Table?

Mr. Speaker: I will not allow that question.

Shri Mahanty: It is a fact.

Shri Tyagi: May I know if Prof. J. K. Galbraith was specifically invited by the Ministry itself to examine the public sector and comment on it, or he just saw it and made comments about it of his own accord?

Shri Nanda: These were casual comments. It was not an assignment.

Shri Tyagi: How is it that our Ministries are always exposed to the comments of foreigners? How is it that they welcome any and every foreigner to come and look into the affairs and comment?

Shri Jawaharlal Nehru: Prof. Galbraith is a very eminent economist. Whoever of eminence comes here from any country, naturally we meet him and discuss with him. May be he met the Planning Commission. Whether he has been invited or not, we want the benefit of his opinion. He was not assigned any work, but we tried to profit by his views. We discussed matters with him. I met him separately; others also met him. Apparently, he gave something in writing. I do not know what he gave. I have seen some of his articles, very interesting articles, elsewhere. Anyhow, in this particular matter, my hon. colleague has said that he will place it on the Table of the House, so that hon. Members can read what it contains.

Mr. Speaker: The paper will be placed on the Table. The matter is closed.

Shri Hem Barua: I rose three or four times, but still I could not put my question because other hon. Members prevented me from doing so. I am sorry that you did not protect me. Let me now put my question.

Mr. Speaker: The hon. Members is too big to require protection.

Shri Hem Barua: May I know whether it is a fact that after a forthright attack on some of India's economic aspirations, Prof. Galbraith described them as 'post-office socialism'? If so, did he advance any reasons for that conclusion?

Mr. Speaker: The hon. Member will read the report.

Shri Nanda: Yes. In view of that, there is no need to answer that.

Mr. Speaker: I would only ask Shri Hem Barua and other Members not to put questions which cast aspersions. The report is there. Why should he anticipate? I feel—and justly—that the hon. Member wants to put this question only to make his own aspersions on what has been said here. There should be no pleasure in denouncing Parliament and Government. After all, it is our own State. Hon. Members must wait and see what exactly the report contains. Why should the hon. Member put such words into the mouth of some other person? Let us wait and see. No impression ought to be created here that opportunity is taken in the form of questions to merely cast aspersions on Government or on any Minister.

Shri Hem Barua: May I humbly submit that whenever I make a reference to a thing, I am very sure of my facts? When I said that he described our economic aspirations as 'post-office socialism', I put it in quotation marks. This was in a newspaper article. The Prime Minister himself has said that he has read the article.

Mr. Speaker: It is premature to say anything. Even in advance of the report being placed on the Table, the hon. Member wants to castigate him by saying that he has described it as 'post-office socialism'. It is for that purpose that he has put the question.

Shri Hem Barua: These are his words. What can I do?

Mr. Speaker: The hon. Member may elicit information, not make aspersions.

Profit Bonus Formula

***1037. Shri Anthony Pillai:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether Ministry invited foreign experts to give their opinion regarding the adoption of a Profit Bonus Formula; and

(b) if so, what are the main recommendations made by them?

The Minister of Industry (Shri Manubhai Shah): (a) Yes, Sir.

(b) Two experts are now in the country visiting the different Undertakings; their recommendations will be available by the middle of June, 1961.

Shri Anthony Pillai: Will these comments also be circulated to the Central organisations of labour for their comments before they are placed before the Bonus Commission?

Shri Manubhai Shah: No, Sir. We have specially invited two or three Soviet experts and two from Canada to help us in assessing the productivity of individual workers in order to evolve an incentive, that is payment by results scheme for the public sector undertakings.

Shri Anthony Pillai: Is there any proposal to send the scheme to the labour organisations for their comment?

Shri Manubhai Shah: It is not necessary at this stage. First, we have to see what recommendations they make; and then Government will examine whether they are practicable or not. Then if they are to be implemented, certainly labour will be taken into confidence.

Shri S. M. Banerjee: The hon. Minister stated that it is for evolving a payment by results scheme. May I know whether they will also take a time and motion study or any other method to be introduced by them?

Shri Manubhai Shah: These experts are being invited only in order to learn in what manner the incentive system works in other countries. As the House is aware, already in the public sector there are incentive schemes, where the labour in the public sector undertakings are being given higher wages and certain incentive awards for better performance. In order to understand in what manner this system works in different countries like Canada and the Soviet Union we have invited two experts from the Soviet Union and a third is about to arrive. We have selected 9 public sector industries and they will go there and see and give us a report as to in what manner the performance of the workers should be evaluated.

Shri Tangamani: May I know whether they would go into the question of payment by results and incentive bonus alone or whether they will go into the whole question of profit-sharing bonus which has been more or less formally accepted by the Supreme Court on the basis of the Labour Appellate Tribunal Award?

Shri Manubhai Shah: These particular gentlemen who have been invited have nothing to do with the question of profit-bonus as we understand it in this country. As a matter of fact, as the House is aware, Government's policy has been that as far as the public sector undertakings are concerned, generally bonuses are avoided. We want to benefit every class of workers, every group by the performance and higher productivity so that their wages continuously rise according to the prosperity of the public sector undertaking.

Shrimati Renu Chakravartty: May I know whether within this question of payment by results, the entire question of medical facilities, leave and holidays, expenditure for holidays and all these will be included?

Shri Manubhai Shah: As far as the House is aware, we are providing practically almost all modern welfare facilities in terms of hospitals, medical aid, education, sanitary and healthy conditions in our housing colonies of workers. Therefore, that part has nothing to be associated or linked up with the measurement of performance of individual workers and groups of workers. I can assure the House and the hon. lady Member that we do not have to learn much from other countries as far as the basic welfare conditions of the workers in this country are concerned.

Shrimati Renu Chakravartty: A really ridiculous answer.

Rebate to Handloom Weavers in Madras

***1038. Shri Tangamani:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether the Handloom rebate has been paid in full to the handloom co-operative weavers of Madras State;

(b) if not, how much is outstanding as on 30th November, 1960; and

(c) whether it is proposed to lay on the Table the new scheme adopted for the year 1960-61 for payment of rebate?

The Minister of Commerce (Shri Kanungo): (a) and (b). The information is being collected from the Madras State Government and will be laid on the Table of the House.

(c) A statement is laid on the Table of the House. [*See* Appendix III, annexure No. 88].

Shri Tangamani: In the statement it is stated that the policy has been evolved which comes into force from 1-9-1960 by which the State Government can disburse the rebate. I would like to know what is the method which will be adopted for disbursing the arrears of rebate which is already due till 1-9-1960.

Shri Kanungo: The arrears of rebates will be disbursed by the Central Government to the State Government after the discrepencies in the accounts are reconciled.

Shri Tangamani: Earlier, it was mentioned in this House that even for a State like Madras the arrears was to the tune of Rs. 35 lakhs. Now, the Government in its wisdom has come out with a scheme which is very useful because the State Governments themselves can disburse. What I would like to know is, what happens to the arrears which are still due till 1-9-1960. Whether the same authority will be given to the State Government to disburse it from the Ways and Means Fund without reference to the Central Government?

Shri Kanungo: In any case, the State Governments will disburse it. But they will not be subject to the ceiling and other restrictions which are applicable from 1st January, 1960.

Shri Tangamani: May I know what is the allocation for the various States for the year 1960-61 from the cess that is collected from the textile industry? May I know whether the entire amount is going to be allocated towards rebate?

Shri Kanungo: No, Sir. There is no separate cess fund because the cess is now amalgamated with the Consolidated Fund of India and there are various developmental schemes—I suppose the patterns are well-known—of the order of about 35 to 40 types, of which this rebate is one.

Shri Sampath: May I know whether any method has been devised to prevent the inordinate delay in the disbursement of rebate and alleviate distress?

Shri Kanungo: That is what the statement says. From 1st January, 1960 the States will be permitted to disburse the rebate within the ceilings allotted to them.

Shrimati Ila Palchoudhuri: From the statement I find that there is a special rebate at the rate of 5 nP in the rupee for 15 days in the year. Eight days are taken away by the All-India Handloom Week and there remain 7 days. Will Government consider allowing the States to have this period to be extended during festivals or during tourist periods?

Shri Kanungo: The exact dates from which the period should be calculated has been left to the discretion of the States because festivals differ from State to State, wheher it is Pongal or Puja, whatever it is. Even the Handloom Week is not a constant factor. It is open to the State Government not to have the Handloof Week and to use other festival days.

Shri Kalika Singh: May I know whether large amounts of rebate have been received by the co-operative weavers by submitting wrong accounts?

Shri Kanungo: I would not agree with the hon. Member's suggestion.

Shri Warior: May I know whether any special rebate will be given to handloom weavers in view of the ban now imposed on import from India into Ceylon?

Shri Kanungo: The export rebate is permissible only to co-operative societies.

Shri Tangamani: In view of the fact that Dipavali is one of the All-India festivals, will Government consider adding this Handloom Week to the Dipavali Week giving some more days for the State Governments to fix their own dates for this extra rebate of 5 nP?

Shri Kanungo: The 15 days' limit is there. It is for the State Government to allocate it according to the different festivals.

Shri Kalika Singh: May I know whether any prosecutions have been launched in any of the States for embezzlement regarding the receipt of these rebate amounts?

Shri Kanungo: I have no information yet. (*Interruption*).

Mr. Speaker: Order, order. The hon. Member wants to know whether the Minister has not received any information that anywhere in India such a kind of rebate has been abused.

Shri Kanungo: The question is whether there has been any prosecution. I have no information about prosecutions. (*Interruptions*).

Mr. Speaker: There is a question about Naga Land. The hon. Prime Minister is not here. Shri Assar wants that his question may be taken up. Naga Land comes here every day. So, I will allow Shri Assar's question, 1045A, to be put.

Indian Students in China

1045-A. Shri Assar: Will the **Prime Minister** be pleased to state:

(a) whether it is a fact that Indian students in China are harassed;

(b) if so, the details thereof; and

(c) whether any protest has been made by Government in this matter to the Chinese Government?

The Deputy Minister of External Affairs (Shrimati Lakshmi Menon): (a) to (c). There is no harassment of Indian students as such but some of them have been subjected to minor pin-pricks. Since the matter has not assumed major proportions it has not been considered necessary to protest to the Chinese Government.

Shri Assar: May I know whether it is a fact that Chinese interpreters compulsorily stay with the Indian students against their wish in order to watch the activities of the Indian students?

Shrimati Lakshmi Menon: I could not follow the question.

Mr. Speaker: It was too rapid for us to follow.

Shri Assar: May I know whether it is a fact that Chinese interpreters and guides were compulsorily staying with Indian students against their wish to watch the activities of the Indian students?

Mr. Speaker: The hon. Member wants to know whether Chinese interpreters have been posted along with the students to watch their career.

Shrimati Lakshmi Menon: They might have been posted to interpret for them; otherwise we have no information about the harassment that the hon. Member refers to.

Mr. Speaker: What he wants to know is whether after so many years the students have not learned that portion of Chinese to make themselves understood with respect to water and other necessaties of life.

Shrimati Lakshmi Menon: The only case of harassment....

Mr. Speaker: If there is an interpreter posted with every Member against his wish, I do not know how the Members will feel.

Shrimati Lakshmi Menon: I have pointed out that such cases have not come to our notice. The only case of harassment that has come to our notice is that of Shri G. D. Mehta who left for India last June. He was asked to leave at short notice. His request to stay for a few days was rejected. The usual facilities like transport to the railway station was denied to him. In the farewell tea that he gave to other students, mostly those from Afro-Asian and socialist countries, first the food supply was withheld and later the electricity supply was disconnected for a short time.

Shri Vajpayee: May we know the nature of other pin-pricks which have been mentioned by the hon. Deputy Minister?

Mr. Speaker: Is not this list sufficient? The hon. Deputy Minister has mentioned that facilities of transport were denied to him, food supply was withheld and so on. What else does he want?

Shri Vajpayee: That is only one instance.

Mr. Speaker: Is the hon. Deputy Minister aware of any other pin-pricks?

Shrimati Lakshmi Menon: No, Sir.

Shri Goray: Does denial of food and transport facilities amount only to prin-pricks? In a foreign land, Sir, if food is denied, does that amount only to pin-pricks?

Mr. Speaker: It is not mere pin-prick.

Shrimati Lakshmi Menon: This refers only to one particular student.

Mr. Speaker: All that the hon. Member complains is, even with respect to a single student it amounts to starvation and not a mere pin-prick (*Interruption*). Why is there an attempt made to make light of this. Even if a single student is harassed by denying food supply and transport facilities, that is quite sufficient. It is only an index of what is being done.

Shri Assar: May I know whether the Government are aware of the news that appeared in the papers about the harassment of Indian students; if so, what action has been taken?

Mr. Speaker: Have Government made any enquiries?

Shrimati Lakshmi Menon: Whenever such cases come to the notice of our Ambassador, the matter is taken up with the relevant department or ministry for action.

Shri Hem Barua: Sir, I rise to a point of order. The hon. Deputy Minister stated that there are pin-pricks and she has mentioned a particular case. May I know whether the Government have brought that to the notice of the Chinese Government through our Ambassador in Peking or not?

Mr. Speaker: How is it a point of order?

Shri Hem Barua: It is mentioned in the statement.

Mr. Speaker: The Question Hour is over.

WRITTEN ANSWERS TO QUESTIONS

Import of Writing and Printing Paper

*1027. **Shri Rameshwar Tantia:**
Shri Madhusudan Rao:
Shri Pangarkar:

Will the Minister of **Commerce and Industry** be pleased to refer to the reply given to Unstarred Question No. 4 on the 1st August, 1960 and state:

(a) whether Government have since taken a final decision in regard to import of writing and printing paper through State Trading Corporation; and

(b) if so, the details thereof?

The Minister of Commerce (Shri Kanungo): (a) Yes, Sir.

(b) It has been decided to import 8,800 tons of writing and printing paper through the State Trading Corporation for meeting the requirements of the Controller of Printing and Stationery. Arrangements have already been finalised by the Corporation to import 6,800 tons of paper from Japan against the export of low grade manganese ore. Negotiations for procurement of the balance are in hand.

Press Conferences

*1039. **Shri K. U. Parmar:** Will the Minister of **Information and Broadcasting** be pleased to state:

(a) what are the criteria for holding Press Conferences by Ministers or Secretaries of various Ministries;

(b) the method of inviting correspondents;

(c) whether it is a fact that in certain cases only a few correspondents are invited and if so, the reasons therefor; and

(d) what steps Ministry propose to take to see that Press Conferences are fairly representative of Press and over-emphasis is not given to English press?

The Minister of Information and Broadcasting (Dr. Keskar): A statement, giving the requisite information, is laid on the Table of the Lok Sabha.

STATEMENT

(a) Press Conferences are generally held by Ministers and Secretaries to the Government of India. The purpose of such conferences is:

- (i) to explain to accredited correspondents the scope and purpose of an important decision or policy statement which is considered to be of wide-spread public interest;
- (ii) to give the Press a general review of the policy and activities of the Government; and
- (iii) to explain to the Press any specific important developments.

(b) and (c). To Press Conferences like those addressed by the Prime Minister which are specially arranged in one of the Committee rooms in Vigyan Bhavan all Indian and foreign accredited correspondents are invited. There are also smaller Conferences and informal meetings with the Press to which invitations are extended on the basis of the subject to be discussed and the interest taken by individual active correspondents in these subjects.

(d) Since in such matters the emphasis has to be not on the language of publication as on the special nature of the subject to be discussed, efforts are always made to send the invitations to those correspondents who are interested in the subject of discussion, so that the conference is as broadly representative of the Press as possible.

Allotment of Houses to Government Employees

***1040. Shri S. M. Banerjee:** Will the Minister of **Works, Housing and Supply** be pleased to state:

(a) whether the Pay Commission has recommended that in framing housing programme and in allotment of houses, employees who are transferred from one station to another, should be given priority;

(b) if so, whether this has been accepted by Government;

(c) whether orders for implementation have been issued; and

(d) if not, the reasons for delay?

The Deputy Minister of Works, Housing and Supply (Shri Anil. K. Chanda): (a) Yes, Sir.

(b) to (d). A statement is laid on the Table of the House.

STATEMENT

In July 1959, in so far as the allotment of General Pool residences under the control of the Director of Estates is concerned, the definition of priority date was revised so as to allow an officer to count for allotment his entire period of continuous service anywhere in India or abroad under the Central Government towards his priority date on his reposting to Delhi, New Delhi or Simla. Similar provisions were also made in the rules for allotment of residences in Bombay and Calcutta under the control of the Director of Estates. This liberalisation will greatly benefit officers who are re-transferred to Delhi, New Delhi, Bombay and Calcutta after having served there initially. However, to remove hardships of those officers who are not initially appointed/posted at any of these stations, the question of further liberalising the definition of priority date was recently considered by the *ad hoc* Departmental Committee constituted under the Chairmanship of the Deputy Minister for Works, Housing and Supply. The Committee has recommended that the entire continuous service of an officer under the Central Government, irrespective of the place of appointment/posting, should be counted for allotment of General Pool accommodation. The recommendations of the Committee are under consideration of the Government of India. The question of making similar provision in respect of other pools of accommodation, *e.g.*, Defence, Raiways, P. & T., etc., will be pursued in the light of final decisions taken on the recommendation of the *ad hoc* Committee.

Import of Muriate of Potash and Sulphate of Potash

***1040-A. Shri Maniyangadan:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) what is the agency through which Muriate of Potash and Sulphate of Potash are imported and distributed in India;

(b) what is the difference between the import price and the price at which these materials are sold to agriculturists;

(c) what are the percentages of profit allowed to the distributing agency and the importing agency respectively; and

(d) whether the State Trading Corporation has any control over the import and distribution of these materials and whether it is making any profit from the transaction?

The Minister of Commerce (Shri Kanungo): (a) Muriate of Potash is imported by the State Trading Corporation and distributed through Messrs. Indian Potash Supply Agency, Madras. Sulphate of Potash is normally imported and distributed by Established Importers.

(b) The present C.I.F. landed price of Muriate of Potash is about Rs. 250.00 per ton and the sale price is Rs. 300.00 per ton ex-jetty and Rs. 314.00 per ton ex-godown. The F.O.B. (stowed) price of Sulphate of Potash imported by the State Trading Corporation in 1960 is Rs. 234.00 per metric ton and the selling price Rs. 325.00 per ton ex-jetty and Rs. 350.00 per ton ex-godown.

(c) The State Trading Corporation charges a profit of ½ per cent. and the distributing agency is allowed a profit of 1½ per cent. on the total turnover of these fertilizers handled by them.

(d) Yes, Sir; but only in regard to Muriate of Potash which is a canalised item and in regard to Sulphate of Potash to the extent State Trading Corporation imported this article.

Additional Quota of Newsprint

***1041. Shrimati Ila Palchoudhuri:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether Government of India have received any requests from newspapers for sanctioning additional quotas of newsprint in connection with the special numbers to be brought out in January, 1961 on the occasion of the visit of Her Majesty Queen Elizabeth of England;

(b) if so, the names of newspapers together with details of their requests; and

(c) the action taken by the Government of India in connection with these requests?

The Minister of Industry (Shri Manubhai Shah): (a) to (c). Yes, Sir; only one request from one weekly of Bombay for issue of additional quota of newsprint for the purpose has been received so far and it has not been found possible to grant it. A representation has been received from the publishers concerned against this decision which is being examined.

Silo-*Cum*-Elevator at Hapur

***1041-A. Shri Kunhan:** Will the Minister of **Works, Housing and Supply** be pleased to state:

(a) whether it is a fact that contract for construction of Silo-*cum*-Elevator at Hapur in 1957 was given to Messrs. Sharma Kochhar of New Delhi;

(b) whether the work was executed according to specification;

(c) whether it is a fact that steel which was supplied to this firm for construction was sold in the market;

(d) whether Government have received any complaints to this effect; and

(e) if so, the action taken thereon?

The Deputy Minister of Works, Housing and Supply (Shri Anil K. Chanda): (a) Only a part of the work, namely, the construction of foundations and sub-structure for the silo-*cum*-elevator at Hapur was given out on contract to Messrs. Sharma Kochhar in 1956.

(b) Yes, Sir. The work generally conforms to specifications.

(c) No, Sir.

(d) No, Sir.

(e) Does not arise.

Nagaland

***1042. Shri Braj Raj Singh:** Will the **Prime Minister** be pleased to state:

(a) whether the Advisory Council to be formed for the new Nagaland State is completed;

(b) whether any tribe or any group other than the Naga National Council has opposed such formation;

(c) if so, the name of the tribe or group and the reasons for opposition; and

(d) how far the opposition of the tribe or group has affected the maintenance of law and order in Naga Hills and Tuensang area?

The Parliamentary Secretary to the Minister of External Affairs (Shri J. N. Hazarika): (a) The election of the Interim Body to assist and advise the Governor in the administration of the Nagaland during the transitional period has almost been completed.

(b) and (c). The hostiles and their sympathisers are opposed to the constitution of the Interim Body. Their aim is to sabotage the implementation of the understanding reached with the Naga leaders and keep alive the hostile movement.

(d) The hostiles intensified their activities after the understanding reached at Delhi. The villagers, however, withstood their propaganda and threats. The situation is steadily improving.

Import of Copra

***1043. Shri Warior:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether it is a fact that Government have decided not to issue any more licences from the next licensing period for the import of Copra from Ceylon; and

(b) if so, the reasons therefor?

The Minister of Commerce (Shri Kanungo): (a) No, Sir. The licensing policy for the next period will be announced only on the 1st April.

(b) Does not arise.

ग्राकाशवाणी से संसदीय कार्यवाही की समीक्षा

***१०४४. { श्री म० ला० द्विवेदी :**
श्री राधेलाल व्यास :

क्या **सूचना ग्रौर प्रसारण** मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि ग्राकाशवाणी से संविधान द्वारा निर्धारित राज-भाषा में संसदीय कार्यवाही की समीक्षा प्रसारित करना बन्द कर दिया गया है क्योंकि कुछ समय से ग्रंग्रेजी में समीक्षा बन्द हो गयी थी ;

(ख) क्या यह सच है कि संसदीय कार्यवाही की हिन्दी में समीक्षा के बारे में कोई प्रतिकूल टीका-टिप्पणी नहीं हुई थी ;

(ग) संसदीय कार्यवाही की समीक्षा ग्रंग्रेजी में पुन: ग्रारम्भ हो जाने पर भी हिन्दी में समीक्षा ग्रारम्भ न करने के क्या कारण हैं ;

(घ) क्या यह सुविधा उपलब्ध करने का विचार है ; और

(ङ) यदि हां, तो यह सुविधा जनता को कब तक उपलब्ध की जायेगी ?

सूचना और प्रसारण मंत्री (डा० केसकर): (क) से (ङ). संसद की कार्यंवाही की समीक्षा का प्रसारण गत वर्ष मुल्तवी कर दिया गया था क्योंकि यह महसूस किया गया था कि जब तक ऊंचे दर्जे के समीक्षकों की सेवायें हमें उपलब्ध न हों, तब तक इन समीक्षाओं को जारी रखना ठीक न होगा । उस समय इस सम्बन्ध में एक चुनाव समिति बनी थी जिसे कोई उपयुक्त उम्मीदवार न मिला । अब एक उपयुक्त व्यक्ति मिल गया है, इसलिये अंग्रेजी समीक्षा फिर से जारी कर दी गई है । इसी प्रकार हिन्दी समीक्षा भी जल्दी ही जारी कर दी जायेगी ।

Evacuee Properties in Delhi

***1045. Shri Mohammed Tahir:** Will the Minister of **Rehabilitation and Minority Affairs** be pleased to state:

(a) whether the attention of Government has been drawn to a news published in *Aljamaiat* dated 2nd December, 1960, a Delhi Daily on page 6 column 4 saying as 'a new attack of the custodian to usurp the properties of the Muslims';

(b) whether it is a fact that the properties of the several Muslim families in Delhi have been declared by the Custodian as non-evacuee after thorough enquiry and evidence;

(c) whether it is also a fact that under the Administration of Evacuee Property Amendment Act, 1954 no body is to be declared an evacuee on account of anything done after the 7th May, 1954;

(d) if the answers to parts (a), (b) and (c) above be in the affirmative, why in Delhi fresh notices have been issued and served on many Muslim families whose properties after due enquiry and taking evidence were finally declared by the Custodian as non-evacuee; and

(e) if so, the action proposed to be taken by Government?

The Deputy Minister of Rehabilitation (Shri P. S. Naskar): (a) to (c). Yes.

(d) and (e). No notice under Section 7 of the Evacuee Property Act has been issued by the Custodian after 7th April, 1955, that is the last date for initiating fresh proceedings under the Amending Act of 1954 for declaring any property as evacuee property.

In some cases where evacuee properties had been restored or released under section 16 and 27 of the Evacuee Property Act by the Central Government or the Custodian General, it has been found that restoration/release orders were obtained by wrong persons through impersonation or misrepresentation of facts. It is only in these few cases that the restoration/release orders are being re-examined.

High Altitude Balloon Flights

***1046. Shri P. C. Borooah:** Will the **Prime Minister** be pleased to state:

(a) whether the Indian Atomic Energy Department is collaborating with the U.S. Atomic Energy Commission to carry out a series of about 50 high altitude balloon flights early next year;

(b) what is the objective of these experiments; and

(c) where these experiments will be held?

The Parliamentary Secretary to the Prime Minister and Minister of External Affairs (Shri Sadath Ali Khan): (a) Yes. The project is jointly sponsored by the U.S. Government through the U.S. Air Force and the U.S. Atomic Energy Commission and the Government of India (Department of Atomic Energy).

(b) The objectives are:—

(i) the collection of stratospheric particulate material for the study of (a) stratospheric distribution of particulate ærosols and environmental radioactivities of natural and artificial origin, and (b) inter-hemispherical and troposphere-stratosphere mixing and calculations;

(ii) the observation of primary cosmic rays by means of photographic emulsions and electronic counters to study their origin and energies; and

(iii) the determination of other meteorological parameters simultaneously with the above observations, namely, stratospheric wind velocities and patterns, pressure-altitude, temperature, humidity and ozone concentration.

(c) Hyderabad in Andhra Pradesh.

Burglary at Gauhati Radio Station

***1047. Shri A. M. Tariq:**
Shri P. C. Borooah:

Will the Minister of **Information and Broadcasting** be pleased to state:

(a) whether it is a fact that a burglary has been committed at the Gauhati Radio Station on the night of the 3rd December, 1960; and

(b) if so, the amount of loss and the action the Government have taken or propose to take?

The Minister of Information and Broadcasting (Dr. Keskar): (a) and (b). A burglary took place at the Gauhati Station of All India Radio on the early morning of 2nd December, 1960 and the safe which contained Rs. 12,790.27 nP. was taken away by the burglars. Immediate intimation was given to all concerned including the Police who have succeeded in apprehending the culprits and recovering most of the stolen property.

Security arrangements at the Radio Station, which is a little out of the town are being reconsidered. The All India Radio authorities had drawn the attention of the police sometime back to the necessity of an armed guard at the Station.

Export of Cloth to Ceylon

***1048. Shri Raghunath Singh:** Will the Minister of **Commerce and Industry** be pleased to state whether it is a fact that Ceylon restricted the import of Indian Sarongs and Sarong cloth etc. from India, which amounts to total ban on import of Indian cloth?

The Deputy Minister of Commerce and Industry (Shri Satish Chandra): Government of Ceylon have restricted the import of Sarongs and Sarong Cloth with effect from the 1st December, 1960. The details of the restrictions are not yet available. Our High Commission in Colombo has taken up the matter with the Ceylon Government.

Katcha Thivu Islands

***1049. Shri Rameshwar Tantia:**
Shri Ajit Singh Sarhadi:

Will the **Prime Minister** be pleased to refer to the reply given to Starred Question No. 896 on the 30th August, 1960 and state:

(a) whether Government have now ascertained the actual position regarding the possession of the Katcha Thivu Island; and

(b) if so, the details thereof?

The Deputy Minister of External Affairs (Shrimati Lakshmi Menon): (a) and (b). The matter is still under consideration.

Arrest of Indian Journalists in East Germany

***1050. Shri Ram Krishan Gupta:** Will the **Prime Minister** be pleased to state:

(a) whether it is a fact that four Indian journalists were detained by

East German police on the 23rd October, 1960 while crossing border near Hamburg;

(b) if so, the details of the incident; and

(c) the action taken in this regard?

The Parliamentary Secretary to the Minister of External Affairs (Shri Sadath Ali Khan): (a) Yes.

(b) The group were on a visit to West Germany at the invitation of the Federal German Government. While in Lubeck on the West German-East German border, the party decided to cross over to East Germany against the advice of their West German guide. On arrival at the East German frontier control post they were detained for questioning and later refused entry.

(c) The matter was brought to the notice of the East German Government who while expressing regret for the incident have explained that entry was not allowed as the party did not possess valid visas.

Press Correspondents on Conducted Tours

*1051. **Shri K. U. Parmar**: Will the Minister of **Information and Broadcasting** be pleased to state:

(a) the nature and mode of selecting press correspondents on conducted tours;

(b) whether it is a fact that in certain trips correspondents of longer standing have not been included;

(c) if so, reasons therefor; and

(d) whether Government propose to take some steps to rationalise procedure to give equal chances to all correspondents?

The Minister of Information and Broadcasting (Dr. Keskar): (a) to (d). The selection of correspondents for the conducted tours to development projects within the country is made, having regard to the region which is being visited, the standing of the paper, the opportunity which it has had on previous occasions and any other special features of the occasion. Indian language papers are also considered along with English newspapers and the papers are generally invited to nominate their representatives or are consulted. The selection of correspondents is not confined to Accredited Correspondents in Delhi nor is the standing of the correspondent the principal factor. The selection for tours is also made taking into account the opportunity which the paper or its correspondent has had to be included in earlier tours, so as to give opportunity to the correspondents of as many papers as practicable.

International Labour Organisation Convention regarding Plantation Workers

*1052. **Shri Tangamani**: Will the Minister of **Labour and Employment** be pleased to state:

(a) whether the fact finding inquiry has been started to help to decide ratification of International Labour Organisation Convention regarding plantation workers; and

(b) if so, the progress thereof?

The Deputy Minister of Labour (Shri Abid Ali): (a) Yes.

(b) A proforma has been circulated to all the State Governments and Ministries concerned calling for information on the size of holdings and the pattern of employment in the cultivation of crops classified as plantations in the I.L.O. Convention.

Sale of Iron Ore to Rumania

*1052-A. **Shri P. C. Borooah**: Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether the Government of India are negotiating with Rumania for the sale of iron ore on a long-term basis in exchange for oil drilling equipment;

(b) what is the progress of the negotiations; and

(c) what are the details of the contemplated agreement?

The Minister of Commerce (Shri Kanungo): (a) to (c). A delegation from Rumania has come. It will not be in the public interest to disclose the details since the negotiations are still in progress.

Records of Evacuee Agricultural Lands

***1053. Shri Ram Krishan Gupta:** Will the Minister of **Rehabilitation and Minority Affairs** be pleased to state:

(a) whether it is a fact that the Government of India have urged the Pakistan Government to expedite the exchange of revenue records to enable the two Governments to finalise the allotment of agricultural lands to evacuees; and

(b) if so, the reaction of Pakistan Government in this regard?

The Deputy Minister of Rehabilitation (Shri P. S. Naskar): (a) and (b). At the recent meeting of the Implementation Committee between India and Pakistan, both the Governments agreed to expedite the exchange of the remaining Revenue Records.

Cycles Manufactured in India

2122. { **Shri Pangarkar:**
Shri D. C. Sharma:

Will the Minister of **Commerce and Industry** be pleased to state:

(a) the number of bicycles manufactured in India during the period from 1st August to 31st October, 1960 (State-wise); and

(b) the number of bicycles exported during the above period?

The Minister of Industry (Shri Manubhai Shah): A statement is laid on the Table.

Statement

(*a*)

State	No. of bicycles produced during 1st August to 31st October, 1960
Bihar	7,281 (Tenta-
Bombay	26,955 tive)
Delhi	18,038
Madras	57,928
Punjab	79,871
U.P.	9,701
West Bengal	51,280
TOTAL	2,51,054

Production figures are not yet available in regard to small scale units.

(b) 164 bicycles were exported during the months of August and September, 1960. The trade figures for the period beyond September, 1960 are not yet available.

Sheet Glass Plant at Hyderabad

2123. Shr Rami Reddy: Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether there is a proposal to establish a Sheet Glass Plant at Hyderabad;

(b) what is the cost and capacity of the plant; and

(c) what are other material details regarding proposed plant?

The Minister of Industry (Shri Manubhai Shah): (a) to (c). Government have under consideration a proposal for the setting up of a Sheet Glass Plant at Hyderabad. The proposal is however yet in a preliminary stage and no decisions have so far been taken.

President's Estate Division of C.P.W.D.

2124. Shri Tangamani: Will the Minister of **Works, Housing and Supply** be pleased to state the number of

C.P.W.D. workmen employed in the Air Conditioning Workshop of President's Estate Division of C.P.W.D. according to each category of post?

The Minister of Works, Housing and Supply (Shri K. C. Reddy): The information is given below:—

Serial No.	Category of Post	No. of posts
1.	Air Conditioning Mechanic .	1
2.	Pump Drivers .	5
3.	Khallasis . .	8

Indians in Congo

2125. **Shri D. C. Sharma:** Will the **Prime Minister** be pleased to state the number of Indian nationals in the Congo at present?.

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): Government have no accurate figures but apart from Indian armed forces personnel who number 779, and 4 members of the Indian diplomatic mission (including families) there are about 150 other Indians.

Low Income Group Housing Scheme in Madras

2126. **Shri Dharmalingam:** Will the Minister of **Works, Housing and Supply** be pleased to state:

(a) the amount of loan given to the State Government of Madras under the Low Income Group Housing Scheme for Madras under the Second Five Year Plan; and

(b) whether the amount has been fully utilised by the Madras Government?

The Deputy Minister of Works, Housing and Supply (Shri Anil K. Chanda): (a) Out of the sum of Rs. 247·60 lakhs, which is likely to be the revised 2nd Five Year Plan allocation of Madras State under the Low Income Group Housing Scheme, the State Government have drawn a sum of Rs. 192·60 lakhs in the first four years of the Plan; the remaining amount of Rs. 55·00 lakhs has been allocated to them for 1960-61.

(b) Out of the above amount, the Government of Madras actually spent a sum of Rs. 201·90 lakhs upto the end of June, 1960.

Handloom Workers in Madras and U.P.

2127. **Shri Dharmalingam:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) the amount set apart for the housing of handloom workers in each of the States of Madras and U.P. during the Second Five Year Plan;

(b) how much of this amount has been utilised till now by each of them; and

(c) the number of houses proposed to be built in each and the number of houses built so far?

The Minister of Commerce (Shri Kanungo): (a) to (c). The information is being collected from the State Governments and will be laid on the Table of the House.

Industrial Development of Madras

2128. **Shri Dharmalingam:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether any steps have been taken by Government to carry out an industrial survey of the Madras State; and

(b) if so, the details thereof?

The Minister of Industry (Shri Manubhai Shah): (a) and (b). It is understood that the Government of Madras have got a techno-economic survey of the Madras State carried out through the agency of the National Council of Applied Economic Research. The Government of India have not received any details in this connection.

Establishment of Industries in Madras

2129. **Shri Dharmalingam:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) the number of proposals received for the establishment of industries with more than Rs. 2 lakhs as capital in the State of Madras during the period from 1957 to 1960 so far; and

(b) the number of industries to which licences have been given?

The Minister of Industry (Shri Manubhai Shah): (a) The basic obligation for a party to apply for a licence under the Industries (Development and Regulation) Act, 1951 is a minimum capital block of Rs. 10 lakhs and more and as such no statistics on the basis of capital of Rs. 2 lakhs and more are maintained.

(b) The details of licences issued as above every month are published in the Journal of Industry and Trade.

Salt Factory at Bolang in Orissa

2130. **Shri K. C. Jena:**
Shri Bhagabat Sahu:

Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether there is a salt factory at Bolang in the dinstrict of Balasore, Orissa started on co-operative basis;

(b) if so, when did it start and what is the annual production of the factory; and

(c) what steps have been taken by Government to encourage the factory in producing more salt and providing transport for its produce?

The Minister of Industry (Shri Manubhai Shah): (a) No, Sir.

(b) and (c). Do not arise.

Middle Income Group Housing Scheme in Mysore

2131. **Shri Siddiah:** Will the Minister of **Works, Housing and Supply** be pleased to state:

(a) what is the amount allotted to Mysore State in 1959-60 and 1960-61 so far for implementing (i) the Low Income Group Housing Scheme and (ii) Middle Income Group Housing Scheme; and

(b) the progress achieved under the above schemes in 1959-60 and 1960-61?

The Deputy Minister of Works, Housing and Supply (Shri Anil K. Chanda): (a) and (b). A statement showing the required information is laid on the Table. [*See* Appendix III, annexure No. 89.]

Subsidised Industrial Housing Scheme in Mysore

2132. **Shri Siddiah:** Will the Minister of **Works, Housing and Supply** be pleased to state:

(a) whether any amount has been allotted under the subsidised industrial Housing Scheme in Mysore State for the year 1960-61; and

(b) the number of houses which are being constructed under the Scheme?

The Deputy Minister of Works, Housing and Supply (Shri Anil K. Chanda): (a) A sum of Rs. 22 lakhs has been allocated to the Government of Mysore for Implementation of the Subsidised Industrial Housing Scheme in the State during 1960-61.

(b) Out of 9,723 houses sanctioned for construction in Mysore State since the inception of the Scheme in September, 1952, 6,535 houses were constructed upto 30th September, 1960, while the balance of 3,188 were under construction to be taken up for construction.

Village Housing Projects Scheme

2133. **Shri Siddiah:** Will the Minister of **Works, Housing and Supply** be pleased to state:

(a) what is the total amount allotted to Mysore State for 1960-61 under Village Housing Projects Scheme;

(b) whether Government have paid the entire amount to the Mysore State; and

(c) the progress achieved so far?

The Minister of Works, Housing and Supply (Shri K. C. Reddy): (a) Rs. 20·35 lakhs (including a sum of Rs. 0·35 lakhs as grant-in-aid for the Rural Housing Cell).

(b) According to the revised procedure for the release of Central assistance, introduced in May, 1958, three-fourths of the amount allocated for the year is automatically placed at the disposal of the State Government in nine equal monthly instalments as lump sum ways and means advances, subject to final adjustment towards the close of the financial year.

(c) According to the report received from the Government of Mysore, loan assistance to the extent of Rs. 36·30 lakhs had been sanctioned in 105 villages for the construction of 1999 houses, out of which a sum of Rs. 11·42 lakhs had been disbursed to beneficiaries, upto the end of September, 1960. 366 houses had been completed and another 1633 houses were under construction on that date.

Co-operative Societies in Tripura

2134. Shri Dasaratha Deb: Will the Minister of **Rehabilitation and Minority Affairs** be pleased to state:

(a) whether audit authorities brought any complaint of corrupt and irregular practices against any co-operative society formed in the rehabilitation centres of Tripura;

(b) if so, the names of such societies;

(c) the nature of such complaints; and

(d) the steps taken to end the corrupt and irregular practices?

The Deputy Minister of of Rehabilitation (Shri P. S. Naskar): (a) to (d). Yes. A few objections were raised. In the opinion of the Tripura Administration, these objections did not amount to corrupt or irregular practices and the Administration considers them as minor.

Settlement of Tibetan Refugees in N.E.F.A.

2135. Shri D. C. Sharma: Will the **Prime Minister** be pleased to refer to reply given to Unstarred Question No. 1709 on the 30th August, 1960 and state:

(a) the further progress in the work of settlement of the Tibetan refugees in Bhaluckung in North-East Frontier Agency;

(b) the amount spent so far for general development of that area; and

(c) when the work is likely to be completed?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): (a) The approach road to the land settlement area has been reconditioned, and construction of accommodation for the refugees has been completed. A hospital for 60 patients is being built. Cultivation of vagetables and fruits has begun and jungle clearance is proceding. Teaching of Tibetan and Hindi to the refugees has commenced and a school for 700 students is being set up. A Co-operative shop has been established at the Transit Camp.

(b) Rs. 5,43,000 upto the end of November, 1960.

(c) Progress of work has been hampered by the heavy monsoon this year, but it is likely to be completed as originally planned during 1962-63.

Import of Books

2136. Shri D. C. Sharma: Will the Minister of **Commerce and Industry** be pleased to state:

(a) the number of permits issued for import of books during 1959-60; and

(b) the foreign exchange involved therein?

The Minister of Commerce (Shri Kanungo): (a) 462.

(b) Rs. 3,73,18,764.

These figures do not include the publications on the maintenance, repairs, and overhaul of aircraft for which no separate figures are available.

Loan for Housing of Punjab Government Employees

2137. Shri D. C. Sharma: Will the Minister of **Works, Housing and Supply** be pleased to state:

(a) whether any loan assistance has been given to the Punjab Government during the Second Five Year Plan period so far for construction of houses for the employees of the State Government;

(b) if so, what assistance has been given; and

(c) the number of houses built under this scheme?

The Deputy Minister of Works, Housing and Supply (Shri Anil K. Chanda): (a) The Government of Punjab have decided not to avail themselves, of the loan assistnce offered under the Rental Housing Scheme for State Government employees.

(b) and (c). Do not arise.

Industrial Units in Punjab

2138. Shri D. C. Sharma: Will the Minister of **Commerce and Industry** be pleased to state:

(a) the names of the new industrial units established in Punjab during the year 1960 so far;

(b) the total amount sanctioned by the Central Government therefor;

(c) the amount actually spent; and

(d) the names of new industrial estates to be started in 1961?

The Minister of Industry (Shri Manubhai Shah): (a) It is not possible to collect this information. However, if the Honourable Member is interested in having the number of industrial licences issued under the Industries (Regulation and Control) Act, 1951, the same can be supplied to him.

(b) and (c). No amounts of funds are sanctioned for the private industrial units.

(d) The information is being collected and will be laid on the Table of the House.

Accommodation to Government Employees

2139. Shri M. B. Thakore: Will the Minister of **Works, Housing and Supply** be pleased to state:

(a) the number of Central Government officers who are entitled to DI and DII class of accomodation as on 1st December, 1960 (class-wise);

(b) the number out of (a) above who are still occupying 'F' and 'E' type class of accommodation (regular) on 1st December, 1960 (class-wise); and

(c) whether officers who are occupying regular accommodation below their classes can be eligible, if they apply, for special accommodation in higher classes?

The Minister of Works, Housing and Supply (Shri K. C. Reddy): (a) and (b). The numbers of officers entitled to DI and DII classes of accommodation as on 1st December, 1960, are 1187 and 1881, respectively. Out of those entitled to DI, the numbers of officers occupying 'F' and 'E' (regular) classes of accommodation are 15 and 108, respectively, and out of those entitled to DII the numbers occupying 'F' and 'E' (regular) accommodation are 90 and 306, respectively.

(c) No. Allotment of 'Special' accommodation is made in accordance with the provisions of Special Accommodation Rules, 1950, which do not apply to the Government servants who have been allotted 'Regular' accommodation.

Manufacture of Transmitters

2140. Shri N. M. Deb: Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether Government have any

proposal to manufacture transmitters for the Radio Stations in the country;

(b) if so, the proposed location of the factory; and

(c) the expenditure to be incurred on it?

The Minister of Industry (Shri Manubhai Shah): (a) to (c). Messrs Bharat Electronics Ltd., Bangalore propose to manufacture Medium Wave Broadcast Transmitters required by the All India Radio. The details of expenditure to be incurred is not at present available.

West German Taxes on Indian Tea

2141. Shri Shree Narayan Das: Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether the West German Government has consented to reduce the present heavy internal taxes and duties on Indian tea; and

(b) if so, the nature of such reduction?

The Deputy Minister of Commerce and Industry (Shri Satish Chandra): (a) Not yet.

(b) Does not arise.

ऊनी उद्योग का आधुनिकीकरण

२१४२. **श्री भक्त दर्शन** : क्या **वाणिज्य तथा उद्योग** मंत्री ७ सितम्बर, १९६० के अतारांकित प्रश्न संख्या २२६७ के उत्तर के सम्बन्ध में यह बताने की कृपा करेंगे कि ऊनी द्योग के पुनर्वास व आधुनिकीकरण सम्बन्धी कार्यकारी दल ने जो रिपोर्ट दी थी उस पर विचार करने और उसकी सिफारिशों को कार्यान्वित करने के काम में अब तक क्या प्रगति हुई है ?

वाणिज्य मंत्री (श्री कानूनगो) : रिपोर्ट में की गई सिफारिशों पर अब भी विचार किया जा रहा है ।

दिल्ली के सरकारी क्वार्टरों म छत वाल पंखे

२१४३. **श्री भक्त दर्शन** : क्या **निर्माण, आवास और संभरण** मंत्री ७ दिसम्बर, १९५९ के तारांकित प्रश्न संख्या १०६२ के उत्तर के सम्बन्ध में यह बताने की कृपा करेंगे कि दिल्ली व नई दिल्ली के दो कमरों वाले सरकारी क्वार्टरों में छत वाला दूसरा पंखा लगाने का जो प्रश्न विचाराधीन था, उसके बारे में क्या निर्णय किया गया है ?

निर्माण, आवास और संभरण मंत्री (श्री क० च० रेड्डी) : अभी तक अन्तिम निश्चय नहीं किया गया है ।

प्रशासन व्यवस्था का पुनर्गठन

२१४४. **श्री भक्त दर्शन** : क्या **योजना** मंत्री १६ अप्रैल, १९६० के अतारांकित प्रश्न संख्या २१७६ के उत्तर के सम्बन्ध में यह बताने की कृपा करेंगे कि विभिन्न राज्यों में कमिश्नरियों, जिलों तथा सब डिवीजनों का वैज्ञानिक आधार पर अथवा सघन प्रशासन के दृष्टिकोण से पुनर्गठन करने में अब तक क्या प्रगति हुई है ?

योजना उपमंत्री (श्री श्या० नं० मिश्र) : विभिन्न राज्यों में कमिश्नरियों, जिलों तथा सबडिवीजनों के पुनर्गठन में जो प्रगति हुई है वह संक्षेप में इस प्रकार है :--

आन्ध्र प्रदेश :

पहले बताया गया था कि सारे राज्य में राष्ट्रीय प्रसार सेवा स्कीम चालू हो जाने के बाद ही जिलों और डिवीजनों के पुनर्गठन के विषय में विचार किया जायेगा । इसके आगे कोई प्रगति नहीं हुई है ।

असम :

सन् १९५७ में कोकराजहार सबडिवीजन बनाने के बाद कोई प्रगति नहीं हुई ।

बिहार :

सहरसा और धनबाद के दो नये जिले और तीन नये सबडिवीजन पुराने जिलों की

सीमाओं में हेर-फेर करने के बाद बनाये गये थे । बाकी पुनर्गठन अभी विचाराधीन है और कोई फैसला महीं हुआ है ।

बम्बई :

भूतपूर्व बम्बई राज्य में १९५० में देसी रियासतों के मिलाने के पश्चात् कुछ जिलों का पुनर्गठन किया गया था । जिन जिलों में कार्य भार अधिक था अथवा कलैक्टर को अन्य महत्वपूर्ण कार्य करने थे वहां अतिरिक्त कलैक्टर नियुक्त किये गये । जिन सबडिवीजनों में कार्य भार अधिक था वहां डिवीजनल कमिश्नरों को सबडिवीजन बनाने का अधिकार दिया गया । मेहसाना तथा वनस्कंध नामक दो जिलों का पुनर्गठन किया गया । मान्देई जिले का राजुरा तालुका चन्दा के कलक्टर और रनागुपुर के कमिश्नर के अधीन कर दिया गया । पंच महल जिले के कुछ गांव बड़ौदा जिले में और बड़ौदा जिले के कुछ गांव पंचमहल जिले में अदल-बदल कर दिये गये । राजकोट डिवीजन का पुनर्गठन किया गया । जिला अहमदाबाद के दो गांव जिला सुरेन्द्र नगर में मिला दिये गये । प्रशासनिक सुविधा की दृष्टि से पहले ६ जिलों के बहुत से गांवों/महलों/तालुकों को एक जिले से दूसरे जिले में मिला दिया गया । सूरत जिले को बम्बई डिवीजन से निकाल कर अहमदाबाद डिवीजन में मिला दिया गया ।

भूतपूर्व बम्बई राज्य को गुजरात और महाराष्ट्र नामक दो राज्यों में बांटने के पूर्व निम्नलिखित परिवतन किये गये ।

(क) १ अप्रैल १९६० से अहमदाबाद के कमिश्नर का कार्यालय अहमदाबाद से बड़ौदा बदल दिया गया ।

(ख) ३० अप्रैल, १९६० से पृथक् जलगांव डिवीजन समाप्त कर दिया गया और उसका एक अतिरिक्त जिला बना कर बम्बई डिवीजन में मिला दिया गया ।

(ग) १ अप्रैल १९६० से जिला थाना तालुका अम्बरगांव के ७७ गांवों में से ५० गांवों को जिला सूरत में मिला दिया गया और इस तालुका के बाकी २७ गांव को तालुका-दहानु जिला थाना में मिला दिया गया ।

(घ) २८ अप्रैल १९६० से जिला धूलिया के तालुका नकापुर और तालुका नन्दुरबार में से प्रत्येक से ३८ गांव लेकर जिला सूरत के तालुका सोगंध में मिला दिये गये ।

(ङ) २८ अप्रैल १९६० से जिला धूलिया के तालुका अकलकुआ के ३७ गांव और तालुका तलोदा के ४३ गांव जिला बरोच के तालुका सगवारा में मिला दिये गये ।

(च) २८ अप्रैल १९६० से बम्बई डिवीजन का जिला डांग्स् अहमदाबाद डिवीजन में मिला दिया गया ।

१९६० के राज्य पुनर्गठन अधिनियम के अनसार अहमदाबाद डिवीजन के १० जिलों तथा राजकोट डिवीजन के ७ जिलों को बम्बई राज्य से अलग कर गुजरात नामक पृथक् राज्य का निर्माण किया गया ।

भतपूर्व बम्बई राज्य के बाकी ४ डिवीजन (बम्बई, पूना, नागपुर और औरंगाबाद) जिनके ३६ जिले हैं, अब महाराष्ट्र राज्य कहलाता है ।

१ अक्टूबर १९६० से जिला बरोज के तालुका सगवारा को सगवारा महल तथा निजार महल एवं उच्छल महल नामक अन्य दो महलों में परिवर्तित कर दिया गया है । पूर्व सगवारा तालुका कुछ गांव (५३) और पूर्व सोगंध तालुका से ३८ गांव नये महल निजार में परिवर्तित कर दिये गये हैं । ये परिवर्तन प्रशासनिक सुविधा के लिये किये गये हैं ।

अहमदाबाद डिवीजन का कार्यालय--अहमदाबाद से बड़ौदा बदल दिया गया है और इस प्रकार अहमदाबाद डिवीजन का नाम बड़ौदा डिवीजन रख दिया गया है ।

महाराष्ट्र :

१ मई १९६० को महाराष्ट्र राज्य का निर्माण किया गया तत्पश्चात् इसमें निम्नांकित परिवर्तन किये गये :—

(क) जिला सांगली के तीन तालुकों का असमान वर्गीकरण कर दिया गया था उनका १ अगस्त १९६० से व्यवस्था योग्य ३ सबडिवीजनों में पुनःवर्गीकरण कर दिया गया ।

(ख) २१ अक्टूबर १९६० से जिला कोल्हापुर का एक अतिरिक्त सबडिवीजन बनाया गया । और वर्तमान तालुकों का ३ सब-डिवीजनों में वर्गीकरण कर दिया गया है ।

(ग) पूना डिवीजन के दो जिले जो दक्षिणी सतारा तथा उत्तरी सतारा के नाम से पुकारे जाते थे, २१ अक्टूबर १९६० से उनका नाम फिर से सांगली जिला तथा सितारा जिला कर दिया गया ।

(घ) बम्बई डिवीजन के दो जिले जिन का नाम पूर्वी खानदेश तथा पश्चिमी खानदेश था उनका नाम २१ अक्टूबर १९६० से क्रमशः जिला जलगांव तथा जिला धूलिया कर दिया गया है ।

जम्मू तथा काश्मीर :

जैसा पहले बताया जा चुका है प्रत्येक जिले में पृथक् समितियों का निर्माण किया गया है जो सामुदायिक विकास खण्डों की वर्तमान सीमाओं की जांच करके स्थानीय परिस्थितियों और खण्डों के अन्दर पटवारी हलकों के बराबर विभाजन को दृष्टि में रख कर आवश्यकतानुसार खण्डों की सीमाओं में परिवर्तन की सिफारिश करेगी ।

केरल :

यह पहले बताया जा चुका है कि भूतपूर्व ट्रावनकोर कोचीन क्षेत्र में अलेप्पी और इरनाकुलम नामक दो जिलों का निर्माण किया गया । पूर्व मालाबार जिले के कासरगोद तालुका के स्थान पर कन्नानोर, कोजीकोद, पालघाट नामक तीन जिलों का निर्माण किया गया है ।

मध्य प्रदेश :

कमिश्नरियों, जिलों और सब डिवीजनों के पुनर्गठन करने की दशा में अभी कोई कार्यवाही नहीं हुई ।

मद्रास :

जैसे पहले बताया जा चुका है मद्रास सरकार के सामने अपने जिलों की सीमा में हेर-फेर करने का कोई प्रस्ताव नहीं । उन्होंने ९ जिलों में भू राजस्व (लैण्ड रेवेन्यू) तथा सामान्य प्रशासन चलाने के लिये राजस्व अधिकारी नियुक्त करने का निश्चय किया है । कलक्टर भू राजस्व का प्रधान होने के नाते इन अधिकारियों के कार्य की देखभाल करता रहेगा ।

१२ राजस्व जिलों को २१ विकास जिलों में बांट दिया गया है और इन में से प्रत्येक जिले की एक जिला विकास समिति बना दी गयी है । इसके आगे कोई सूचना नहीं मिली है ।

मैसूर :

१ अक्टूबर १९६० से दक्षिण कनारा जिले में मंगलौर नामक एक सब-डिवीजन बना दिया गया है ।

उड़ीसा :

गंजाम जिले में से पर्लाकिमदी नाम का एक नया सब डिवीजन बना दिया गया है । २६–१–५९ से भुवनेश्वर नाम का एक नया सब डिवीजन बना दिया गया है पर्लाकिमेदी

सब डिवीजन के रामगिरी उदयगिरी तालुके के तम्बा क्षेत्र को बरहामपुर सब डिवीजन में मिला दिया गया है ।

नरसिंहपुर, नयागढ़, बमरा और नीलगिरी के भूतपूर्व रियासती जिले जिनमें क्रमशः कटक, पुरी, सम्बलपुर और बालासोर के जिलाधीश ही पदेन जिलाधीश होते थे अब १ अक्टूबर १६५६ से समाप्त कर दिये गये हैं और उन्हें क्रमशः कटक, पुरी, सम्बलपुर और बालासोर के नियमित जिलों में मिला दिया गया है ।

१ फरवरी १६६० से कटक जिले के भूतपूर्व रियासती सब डिवीजन बमरा नरसिंहपुर और तिगरिया को, और पुरी जिले के भूतपूर्व रियासती सबडिवीजन खंडापाड़ा, दस पल्ला और राणपुर को विलीन कर क्रमशः कटक और पुरी जिले के अथागड़ और नायागड़ सब डिवीजनों में मिला दिया गया है ।

कटक और पुरी के कुछ क्षेत्रों की अदला-बदली के विषय में विचार किया जा रहा है । परन्तु यह १६६१ की जनगणना के पश्चात ही किया जायेगा ।

पंजाब :

निम्नलिखित परिवर्तन किये गये हैं :—

(१) प्रत्येक जिले को सबडिवीजनों में बांटने के निश्चयानुसार, राज्य सरकार ने एक तहसील की सीमा को एक इकाई मान कर ५२ तहसीलों को लेकर ४२ सब-डिवीजनें बनायी हैं ।

(२) जिला कपूरथला को पटियाला डिवीजन से हटा कर जलन्धर डिवीजन में मिला दिया गया है ।

(३) तहसील कंडाघाट पटिलाया से हटा कर जिला शिमला में मिला दी गयी है ।

(४) तहसील नालागढ़ पटियाला से अम्बाला जिले में मिला दी गई है ।

(५) पिन्जोर कानूनगो क्षेत्र जो अभी तक जिला पटियाला की कंडाघाट तहसील में था अब अम्बाला जिले की कालका सब-तहसील में मिला दिया गया है ।

(६) सब तहसील नथाना को फिरोजपुर से हटा कर भटिंडा जिले में मिला दिया गया है ।

(७) जिला लुधियाना के बहादुर गढ़ गांव को जिला संगरूर में और जिला कांगड़ा के कोसार गांव को जिला होशियारपुर में मिला दिया गया है ।

(८) जिला करनाल की सब-तहसील गुहला के सात गांव अम्बाला जिले की अम्बाला तहसील में मिला दिये गये हैं ।

(९) लाहौल और स्पीति के वजीरियों को लेकर जो अब तक जिला कांगड़ा, सबडिवीजन कुल्लू, सब-तहसील लाहौल के भाग से, लाहौल स्पीति नामक जिले का निर्माण किया गया है जिसका मुख्य कार्यालय कैलोंग में है ।

(१०) कांगड़ा जिले की सब डिवीजन कुल्लू की लाहौल सब-तहसील में लाहौल और स्पीति की वज़ीरियों को ले कर लाहौल और स्पीति नाम की दो नयी तहसीलें बनायी हैं, जिनके मुख्यालय क्रमशः कैलोंग और काज़ा में होंगे ।

राजस्थान :

फिलहाल राज्य सरकार ने निश्चय किया है कि अप्रैल १६६० के बाद जब तक १६६१ की जनगणना समाप्त न हो जाये तहसीलों तथा जिलों की सीमाओं में किसी प्रकार का परिवर्तन न किया जाये ।

उत्तर प्रदेश :

गोरखपुर जिले को बांट कर देवरिया और गोरखपुर नाम के दो जिले बना दिये गये हैं । बहरामपुर और टिहरी गढ़वाल जिलों का निर्माण इन रियासतों के उतर प्रदेश में विलीन होने के बाद किया गया था । भूतपूर्व चमोली, पिथौरागढ़ और उत्तर काशी की सीमाओं में कुछ हेरफेर कर इन्हें जिलों में परिवर्तित कर दिया गया है । २४ फरवरी १९६० से इन तीनों जिलों के १२ सबडिवीजनों को ले कर उत्तराखण्ड नामक कमिश्नरी का निर्माण किया गया है ।

पश्चिम बंगाल :

खण्डों को प्रशासनिक इकाई मान कर तथा एक या एक से अधिक खण्डों का एक सबडिवीजन बना कर, सारे प्रशासनिक संगठन का पुनर्गठन किया जा रहा है । सर्किल आदि वर्तमान प्रशासनिक इकाई खण्ड बनते ही समाप्त कर दी जायेंगी ।

पांच सबडिवीजन लेकर कच्छ-बिहार नाम के जिले का गठन किया गया है । विलीन होने के पश्चात कुछ और क्षेत्र मिलाकर चन्द्र नगर का एक सबडिवीजन बना दिया गया है । २४ परगना जिले को बांटने की स्कीम का क्रियान्वयन धीरे धीरे किया जा रहा है । सब से पहले आठ नये पुलिस स्टेशन बनाये जायेंगे जिनके लिए आदेश जारी कर दिये गये हैं । इन्होंने अभी कार्य करना आरम्भ नहीं किया है क्योंकि अभी थानों की इमारतें, बैरकें, रहने के लिए मकान, इत्यादि बनने हैं ।

Displaced Persons' Colony, Kalkaji (Delhi)

2145. **Shri Ram Krishan Gupta:**
Shri D. C. Sharma:

Will the Minister of **Rehabilitation and Minority Affairs** be pleased to refer to the reply given to Starred Question No. 1158 on the 7th September, 1960 and state:

(a) the progress made in preparation of the layout plans for the proposed colony at Kalkaji for displaced persons from East Pakistan; and

(b) the procedure to be followed in making allotments to displaced persons?

The Deputy Minister of Rehabilitation (Shri P. S. Naskar): (a) The layout plan of the colony was recently considered by the Advisory Committee for Utilization of Government land. The Committee approved the plan subject to certain alterations and it is now awaiting the approval of the Layout Sub-Committee of the Municipal Corporation of Delhi.

(b) No procedure for the allotment of plots has yet been decided upon.

National Building Organisation

2146. **Shri S. C. Samanta:**
Shri Subodh Hansda:

Will the Minister of **Works, Housing and Supply** be pleased to state:

(a) whether the National Building Organisation of the Ministry requested the Central Statistical Organisation to collect housing statistics;

(b) if so, how far the Central Statistical Organisation has helped the National Building Organisation in the matter;

(c) whether socio-economic surveys were carried out; and

(d) if so, in how many villages and in which States or Zones?

The Deputy Minister of Works, Housing and Supply (Shri Anil K. Chanda): (a) No.

(b) Does not arise.

(c) and (d). Socio-economic surveys were carried out by the National Buildings Organisation with a view to collecting information regarding climatic data etc., in connection with the construction of demonstration houses in six villages of six different States. The villages in which the demonstration houses are being constructed are:

1. Kishanpur in District Raipur, M.P.
2. Borunda in Disrict Jodhpur, Rajasthan.
3. Nauraspur in District Meerut, U.P.
4. Barkat-Arabari in District Gauhati, Assam.
5. Mellaram in District Khammemeth, Andhra.
6. Bahin in District West Dinajpur, West Bengal.

Similar surveys were also carried out in village Badal in District Ferozepure, Punjab.

Loans to Coffee-growers

2147. Shri Rameshwar Tantia: Will the Minister of **Commerce and Industry** be pleased to refer to the reply given to Unstarred Question No. 5 on the 1st August, 1960 and state the conditions laid down for the grant of loans to registered coffee-growers out of the sum of Rs. 3,50,000 provided in the Budget for 1960-61?

The Minister of Commerce (Shri Nityanand Kanungo): A statement is laid on the Table.

STATEMENT

The main conditions on which the loans are sanctioned to the registered coffee-growers are the following:

(i) Loan eligibility is limited strictly to registered growers in the small brackets, *viz.*,

(a) 5—25 acres if under robusta coffee, or

(b) 5—50 acres if under arabica coffee.

(ii) Loans are granted chiefly for intensive cultivation and on a limited scale, for extension of the area under cultivation. An advance from the loan, not exceeding 30 per cent. will be permissible towards clearing a prior encumbrance on the property to be taken for mortgage.

(iii) The coffee estate to benefit by the loan will have to be mortgaged to the Board as the primary security for the advance. Additional properties may be taken as collateral security, if necessary.

(iv) Loans are sanctioned at the following rates:

(a) for intensive cultivation.

Arabica—Rs. 500—1,000 per acre.

Robusta —Rs. 375—800 per acre.

(b) for extension:

Arabica—Rs. 1,000 per acre.

Robusta—Rs. 750 per acre.

(v) The amount granted is not paid to the loanee in a lump sum, but only in three or five annual instalments.

(vi) Recovery will also be in annual instalments commencing from the 6th year, in the case of loans for intensive cultivation and from the 7th year in the case of loans for extension, to be completed in five years.

(vii) Interest will be charged at 6¼ per cent. per annum. Failure to pay interest on due date will entail payment at the enhanced rate of 9 per cent. per annum for the period during which interest remains unpaid.

(viii) Only estates producing not less than 3 cwts. per acre are eligible for aid for extension.

Cherrapunji Coal Mines

2148. Shri Rameshwar Tantia: Will the Minister of **Labour and Employment** be pleased to refer to the reply given to Starred Question No. 247 on the 9th August, 1960 and state the steps taken by Government to see that the Labour Appellate Tribunal's award in the Cherrapunji Coal Mines area is implemented?

The Deputy Minister of Labour (Shri Abid Ali): Government are considering the steps to be taken for getting the award implemented.

Second All-India Agricultural Labour Enquiry

2149. **Shri Rameshwar Tantia:**
Shri Pangarkar:

Will the Minister of **Labour and Employment** be pleased to state:

(a) whether Report of the Second All India Agricultural Labour Enquiry has now been submitted; and

(b) if so, the findings thereof?

The Deputy Minister of Labour (Shri Abid Ali): (a) and (b). The Report is being laid on the Table of the House.

Diplomas in Journalism

2150. **Shri M. B. Thakore:** Will the Minister of **Labour and Employment** be pleased to state:

(a) whether it is a fact that there are no facilities for employment of the holders of diplomas in journalism; and

(b) if so, the reasons therefor?

The Deputy Minister of Labour (Shri Abid Ali): (a) No.

(b) Does not arise.

History of N.E.F.A.

2151. **Shri Subiman Ghose:** Will the **Prime Minister** be pleased to state:

(a) whether a draft of authoritative history of NEFA area is under examination of the Historical Research Department of Ministry of External Affairs;

(b) if so, when it is expected to be published; and

(c) who has compiled the history and on what materials?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): (a) to (c). The Research Department of the North East Frontier Agency Administration are compiling an authoritative history of the NEFA from the old documents and records. The Historical Research Officer of the NEFA Administration is in charge of the work. Nearly three-fifths of the draft has been completed. The book is expected to be published during the year 1961-62.

Tobacco

2152. **Shri Aurobindo Ghosal:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether any attempt has been recently made to grow the better quality of tobacco in India for export; and

(b) if so, whether any step has been taken to assess the quality demanded in the foreign market?

The Deputy Minister of Commerce and Industry (Shri Satish Chandra): (a) Necessary steps are taken by the Ministry of Food and Agriculture such as the distribution of pure seeds to the farmers and introduction of new varieties capable of giving higher yields. Experiments are also being carried out with the assistance of a West German tobacco expert to grow the varieties of tobacco which are in demand in West Germany.

(b) The qualities demanded in various countries are generally known to Indian exporters. Periodic reports are, however, obtained from our commercial representatives abroad.

Small Scale Industries in Delhi

2153. **Pandit D. N. Tiwari:** Will the Minister of **Commerce and Industry** be pleased to refer to the reply given to Starred Question No. 768 on the 25th August, 1960 and state:

(a) whether the details of lay-out plan and allotment policy for shifting the industries from the congested areas of Delhi have been worked out; and

(b) if so, the details thereof?

The Minister of Industry (Shri Manubhai Shah): (a) and (b). The layout plan of the Industrial Area at Okhla is under preparation by the Delhi Corporation. Till that is finalised, it would not be possible to give the details of the scheme. The allotment policy has not yet been worked-out. This will be evolved by the Delhi Administration after the finalisation of the layout plan which would give the number and area of the plots and the cost thereof.

Marine Diesel Engine Factory at Visakhapatnam

2154. **Shri Rami Reddy:**
Shri Ram Krishan Gupta:
Shri Tangamani:

Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether the Government of Andhra Pradesh has requested the Centre to set up a Marine Diesel Engine Factory at Visakhapatnam;

(b) what is the capacity and cost of the proposed factory; and

(c) what are the reactions of the Centre to the proposal?

The Minister of Industry (Shri Manubhai Shah): (a) to (c). Government of India have had under consideration a proposal to establish a factory to manufacture Marine Diesel Engines. The scheme is still in the preliminary stage and Government are yet to take a final decision about its inclusion in the Third Five Year Plan, location, etc. Neither the project nor the location has been decided upon and therefore, the question of a request from any State Government including the Andhra Government does not arise.

Import of Dates and Dry Fruits

2155. **Shri Raghunath Singh:** Will the Minister of **Commerce and Industry** be pleased to state the quantity of dates and dry fruits imported by sailing vessels from Persian Gulf and other Middle East countries during the first eight months of the year 1960?

The Deputy Minister of Commerce and Industry (Shri Satish Chandra): Dates and dry fruits imported by sailing vessels are reported by values and not by quantity. Dates and dry fruits valued at Rs. 33.67 lakhs were imported from these countries during January-August 1960 period.

Construction of M.P.s' Flats at North Avenue, New Delhi

2156. **Shri Ram Krishan Gupta:** Will the Minister of **Works, Housing and Supply** be pleased to state:

(a) the nature of steps taken or proposed to be taken to get the land in North Avenue, New Delhi vacated for construction of M.P.s' flats; and

(b) by what time land will be vacated and construction will start?

The Minister of Works, Housing and Supply (Shri K. C. Reddy): (a) and (b). The site earmarked for the construction of M.P.s' flats on the North Avenue, is now occupied by the Army Transport Company. The Ministry of Defence are constructing alternative accommodation for this establishment, which they expect will be ready by the end of June, 1962. The site on the North Avenue will be vacated by the Ministry of Defence after that date. The construction of M.P.s' flats can be taken up by the C.P.W.D. only after vacation of the site by the Ministry of Defence.

Export of Shoes

2157. **Shri Ram Krishan Gupta:**
Shri Raghunath Singh:

Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether Government have received orders from Russia for supply of more Agra shoes; and

(b) if so, the nature of steps taken or proposed to be taken to supply shoes?

The Minister of Commerce (Shri Kanungo): (a) and (b). The purchase organisation in U.S.S.R. have indicated that they would place orders for 3 lakh pairs of shoes on the State Trading Corporation for supply during 1961. Negotiations are being conducted with the parties whose samples have been accepted by the Russians and who are regular suppliers of shoes to the U.S.S.R. in regard to price, uniformity in quality, inspection arrangements and delivery schedules.

Haj Pilgrimage

2158. { **Shri M. B. Thakore:**
Shri Prakash Vir Shastri:

Will the **Prime Minister** be pleased to state:

(a) whether it is a fact that Shri Zahir Yar Jang of Hyderabad, with his wife went to a pilgrimage to Mecca recently;

(b) if so, the period during which they stayed at different places in South Arabia;

(c) whether it is a fact that they visited other countries also;

(d) whether it is a fact that this individual had attempted to smuggle a large sum of money out of India some time in the past; and

(e) whether there was any attempt on the part of the individual to smuggle gold into India on return from South Arabia this time?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): (a) Yes, Sir.

(b) According to reports received from our Embassy in Jeddah he stayed for about one and a half months in all visiting Jedda, Mecca and Madina.

(c) No.

(d) Yes, in 1952.

(e) No, not as far as Government are aware.

Bombay Port Haj Committee

2159. Shri M. B. Thakore: Will the **Prime Minister** be pleased to state:

(a) whether it is a fact that in 1960 single journey tickets for return journey to Bombay from Jeddah were booked by the Chairman, Bombay Port Haj Committee;

(b) if so, the details thereof;

(c) whether it is also a fact that Haj Committee, Bombay is making huge profit; and

(d) if so, the details thereof?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): (a) and (b). The Port Haj Committee, Bombay, arranged to book 62 single journey seats Jeddah-Bombay by air.

(c) and (d). The Port Haj Committee is a committee constituted to render assistance to pilgrims. It made arrangements for the supply of cloth and foodgrains at Bombay for the pilgrims during the last Haj season. Certain nominal charges were levied to cover the costs of such arrangements resulting in a profit of Rs. 11,976 to the Committee representing a return of 4 per cent. This amount was credited to the Haj Fund of the Committee which is utilised for the welfare of the pilgrims.

Herobhanga Scheme

2160. Shrimati Renu Chakravartty: Will the Minister of **Rehabilitation and Minority Affairs** be pleased to state:

(a) whether the scheme II of Herobhanga refugee rehabilitation scheme in P.S. Canning, 24 Parganas has been sanctioned; and

(b) if so, when the work will start?

The Deputy Minister of Rehabilitation (Shri P. S. Naskar): (a) and (b). No. The scheme will be considered when received in its final shape from the State Government.

Relay of Broadcasts

2161. Shri D. C. Sharma: Will the Minister of **Information and Broadcasting** be pleased to state:

(a) whether the Government of Punab has proposed any scheme for the relay of news, songs etc. for the benefit of persons not owning radio sets;

(b) if so, what are the proposals;

(c) whether the proposals have been considered by the Government of India; and

(d) if so, the action taken in the matter?

The Minister of Information and Broadcasting (Dr. Keskar): (a) to (d). No Sir. Government of Punjab has not proposed any such scheme.

Development Programme for Hilly Districts of Punjab

2162. Shri D. C. Sharma: Will the Minister of **Planning** be pleased to state:

(a) whether the details of the works executed and the expenditure incurred thereon under the special development programme for the hilly districts of Punjab which had been approved during the financial year 1959-60 have since been received;

(b) if so, whether a detailed statement in regard thereto will be laid on the Table; and

(c) the nature of programme drawn up for the year 1960-61?

The Deputy Minister of Planning (Shri S. N. Mishra): (a) and (b). Separate allocation for special development programme for Hilly Districts of Punjab was made in 1960-61 only.

(c) Information is awaited from the State Government.

Bareilly Sports Goods

2163. Shri Raghunath Singh: Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether it is a fact that Bareilly Sports Goods are facing a crisis on account of the Lack of foreign and inland markets for the goods; and

(b) if so, steps proposed to be taken in the matter?

The Minister of Industry (Shri Manubhai Shah): (a) No, Sir.

(b) Does not arise.

Occupation of Kashmir Village by Pakistanis

2164. Shri Raghunath Singh: Will the **Prime Minister** be pleased to state:

(a) whether it is a fact that armed Pakistanis occupied a deserted village in Poonch area on the 3rd November, 1960, on the India side of the cease-fire line; and

(b) if so, the details thereof?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): (a) No village on our side of the cease-fire line in the Poonch area has been occupied by Pakistani armed personnel.

(b) Does not arise.

Trade Agreement with Czechoslovakia

2165. Shri Ram Krishan Gupta: Will the Minister of **Commerce and Industry** be pleased to state the main terms of the three year trade and payments agreement signed between Czechoslovakia and India in Prague on 3rd November, 1960?

The Deputy Minister of Commerce and Industry (Shri Satish Chandra): The salient features of the trade and payments agreement are:

(a) the exchange of goods between India and the Czechoslovak Socialist Republic will be on a balanced basis.

(b) both Parties have agreed to extend to each other most favoured nation treatment in respect of customs duties, provided such concessions do not run counter to any other agreement which either of the Governmay have entered into in the past with any other country.

(c) all payments between the two countries will be effected in non-convertible Indian rupees.

Engineering Export Promotion Council

2166. Shri Raghunath Singh: Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether Government are aware of the statement made by the President of Engineering Export Promotion Council on the 8th November, 1960 that Government should set up a high power Committee to consider the problems facing the Indian exporters of engineering goods; and

(b) if so, Government's reactions thereto?

The Deputy Minister of Commerce and Industry (Shri Satish Chandra): (a) and (b). Yes, Sir. This matter has been engaging our attention for quite some time and at the last meeting of the Export Promotion Advisory Council held in August, 1960, the Minister for Commerce and Industry had suggested that the problems concerning exports would be considered at a high level. A meeting of the Commerce and Industry and other Ministries concerned was held recently in this connection under the Chairmanship of the Cabinet Secretary.

Emery Fillet

2167. Shri Kunhan: Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether applications were received for the grant of licence to import P.V. Emulsion, an essential raw material for the manufacture of emery fillet;

(b) if so, how many licences were granted and when; and

(c) whether it is a fact that a factory in Bombay has closed down production of emery fillet and laid off workers in October, 1960 since import licences were not granted in time?

The Minister of Commerce (Shri Kanungo): (a) and (b). Only two applications for the grant of licence to import P.V. Emulsion for manufacture of emergy fillet were received during 1960, both from M/s. Greaves Dronsfield P. Ltd., Bombay, and licences were granted to them one on 28th October, 1960 and the other on 3rd December, 1960.

(c) Yes, Sir. Although the party had sent their application in March, 1960, they could not produce the essentiality certificate till September 1960, on the basis of which alone the licence could be issued.

Allegations against a Bombay Industrialist

2168. { **Shri S. A. Mehdi:**
Shrimati Ila Palchoudhuri:
Shri Arjun Singh Bhadauria: }

Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether Government have seen serious allegations made against a Bombay Industrialist Shri Krishna Raj Thakersey in the *Blitz* of Bombay on the 25th September, 1960; and

(b) if so, whether there is any truth in the allegations?

The Minister of Commerce (Shri Kanungo): (a) Yes, Sir.

(b) It is understood that Shri Thakersey has filed a defamation suit in the High Court at Bombay and the matter is, therefore, now *sub-judice*.

Air Marshal Mukherjee's Death

2169. Shri Assar: Will the **Prime Minister** be pleased to state:

(a) whether it is a fact that the sad news of the death of Air Marshal

Mukherjee was received here in India nearly twelve hours late; and

(b) if so, the reasons therefor?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): (a) and (b). The Air Marshal is reported to have collapsed at 19·30 hours I.S.T. on the 8th November, 1960. During the next few hours attempts were made to revive him at a hospital. When these failed, the Embassy despatched a code telegram to Delhi at 23·50 hours I.S.T. *i.e.* 4 hours after his collapse. The telegram was received here at 04·15 hours I.S.T. of the following morning. It was then decoded and its contents communicated in the early hours of the morning. There has thus been no undue delay.

Import and Retail Prices of Pistols

2170. **Shri Jhulan Sinha:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether any complaints have been received regarding the great disparity in the import and retail sale prices of pistols and other fire-arms in the country; and

(b) the import price of pistols of particular varieties and the retails sale price thereof?

The Minister of Commerce (Shri Kanungo) (a) Some complaints regarding high prices of arms and ammunition in the market have been received.

(b) The information is being collected and will be laid on the Table of the Sabha.

तिब्बत के साथ व्यापार

२१७१. **श्री पद्म देव** : क्या **प्रधान मंत्री** यह बताने की कृपा करेंगे कि :

(क) तिब्बत से इस वर्ष कितनी ऊन, पशम, भेड़ें, खालें, नमदे और गलीचे रामपुर (हिमाचल प्रदेश) में बिकने के लिये लाये गये ;

(ख) तिब्बत के लोगों का भारतीय व्यापारियों के साथ कैसा बर्ताव रहा ; और

(ग) सरकार ने उन लोगों को फिर से बसाने के लिये क्या प्रबन्ध किया है जिनका निर्वाह तिब्बत के साथ व्यापार से होता था ?

प्रधान मंत्री तथा वैदेशिक-कार्य मंत्री (श्री जवाहरलाल नेहरू) : (क) व्यापार संबंधी जो आंकड़ सरकार के पास सुलभ हैं, उनके अनुसार इन वस्तुओं का बहुत थोड़ा आयात हुआ है ।

(ख) चीनी अधिकारीगण तिब्बती लोगों को भारतीय व्यापारियों के साथ किसी प्रकार का संपर्क रखने के लिए प्रोत्साहन नहीं देते और इसीलिए तिब्बती लोग भारतीयों से नहीं मिलते ।

(ग) हिमाचल प्रदेश में प्रशासन ने प्रभावित व्यापारियों के पुनर्वास के लिए योजनाऐं बना ली हैं और उन पर अमल किया जा रहा है ।

Licences for Spinning Mills

2172. **Shri Subbiah Ambalam:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether applications supported by the Madras Government for grant of licences to spinning mills have been received during the years 1959 and 1960 so far; and

(b) if so, how many of them have been granted licences?

The Minister of Industry (Shri Manubhai Shah): (a) and (b). The comments of the concerned State Government are always obtained on all the applications for licences under the Act. The list of licences including these for any spinning mills issued every month are published in the Journal of Industry and Trade showing *inter-alia*, the location of the undertaking.

Advertisements by Dandakaranya Development Authority

2173. **Shri Sanganna:** Will the Minister of **Rehabilitation and Minority Affairs** be pleased to state:

(a) whether any advertisements are given by the Dandakaranya Development Authority to the local newspapers;

(b) if so, which are those newspapers; and

(c) what is the procedure followed in this respect?

The Deputy Minister of Rehabilitation (Shri P. S. Naskar): (a) Yes.

(b) (i) Mahakoshal Raipur.

(ii) Dandakaranya Samachar, Jagdalpur.

(iii) Dandakaranya Times, Jeypore.

(iv) Prajatantra, Cuttack.

(c) Generally the same as prescribed by the Ministry of Information and Broadcasting.

Low Income Housing Scheme in Bihar

2174. { **Shri Bholanath Biswas:**
Shri P. G. Sen:

Will the Minister of **Works, Housing and Supply** be pleased to state:

(a) the amount allotted under Low Income Group Housing Scheme for Bihar during the two Five Year Plan periods; and

(b) the amount actually spent so far?

The Deputy Minister of Works, Housing and Supply (Shri Anil K. Chanda): (a) A sum of Rs. 10 lakhs was allocated to the Government of Bihar for the implementation of the Low Income Group Housing Scheme during the First Five Year Plan and Rs. 270·23 lakhs during the Second Five Year Plan.

(b) The State Government have intimated that their expenditure during the First Plan amounted to Rs. 10 lakhs and their expenditure during the Second Plan period so far amounts to Rs. 173 lakhs.

Minimum Wages

2175. **Shri Anthony Pillai:** Will the Minister of **Labour and Employment** be pleased to state:

(a) whether wages have been prescribed under the Minimum Wages Act for unskilled workers employed by the several major port authorities; and

(b) whether there is any proposal to revise them in the light of the current increased cost of living?

The Deputy Minister of Labour (Shri Abid Ali): (a) Yes.

(b) At present a Classification and Categorisation Committee is examining the question of revising the scales of pay of Class III and Class IV employees of major Ports. On receipt of the report of the Committee, the question of revising the rates of wages notified under the Minimum Wages Act will be taken up.

Factories manufacturing Poisonous Insecticides

2176. **Shri Anthony Pillai:** Will the Minister of **Labour and Employment** be pleased to state:

(a) whether Government's attention has been drawn to accidents resulting in deaths in factories manufacturing poisonous insecticides; and

(b) if so, what steps Government are taking to reduce the hazards in such factories?

The Deputy Minister of Labour (Shri Abid Ali): (a) The State Government of Madras has reported that there were two fatal accidents, one in 1959 and the other in 1960. No other State Government has reported any such accident.

(b) Model rules under section 87 of the Factories Act, 1948, to control hazards in the manufacture and handling of poisonous insecticides in factories were framed and forwarded to the State Governments for adoption. The State Governments concerned including the State Government of Madras are taking necessary action.

Working Group on Tea

2177. **Shri P. C. Borooah:** Will the Minister of **Planning** be pleased to state:

(a) whether the report of the Working Group for the Third Five Year Plan on tea will be published in the near future; and

(b) what action is being taken on the recommendations of the Working Group?

The Deputy Minister of Planning (Shri S. N. Mishra): (a) The Working Group had been constituted for working out schemes for production of tea and also to formulate the targets of production for the Third Five Year Plan. It is not intended to publish the report of the Working Group.

(b) The report is under consideration in the Ministry of Commerce and Industry and the Planning Commission.

Hindustan Antibiotics Ltd.

2178. **Dr. Sushila Nayar:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether it is a fact that the Expert Committee of Scientists in their report dated January, 10, 1957, gave the capacity of the Hindustan Antibiotics Ltd., with 10 fermentors as 30 million mega units of penicillin a year at the then level of penicillin technology;

(b) whether it is a fact that the Soviet Experts in their report, Volume I, May 26, 1956, gave the capacity of the Plan as 40 million mega units of penicillin with 12 fermentors;

(c) whether it is also a fact that Dr. Hodiner, Managing Director of the Czechoslovak Penicillin Plant gave the capacity in 1959 with 16 fermentors as 60 million mega units of penicillin per year; and

(d) the production targets announced by the Hindustan Antibiotics for the years 1958, 1959 and up-to-date in 1960 along with the actual quantities produced during each of these years indicating the number of fermentors installed as well as the penicillin produced from imported first crystals or crude penicillin and state whether the targets given in the Annual Report of the Hindustan Antibiotics are different from those given by the experts?

The Minister of Industry (Shri Manubhai Shah): (a) to (d). A statement is laid on the Table. [*See* Appendix III, annexure No. 90].

Praga Tools Corporation Ltd.

2179. **Shri Rami Reddy:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether there is a proposal to expand the capacity of the Praga Tools Corporation in Andhra Pradesh;

(b) the additional capacity that is proposed to be increased; and

(c) when the expansion programme is expected to commence and when it will be completed?

The Minister of Commerce and Industry (Shri Lal Bahadur Shastri): (a) to (c). The Praga Tools Corporation Limited, are engaged in expanding their works in two phases. The first phase envisages increasing the existing capacity of its boundry, providing additional plant and machinery, isolation of the precision work from machine tool manufacture and better lay out of the factory. This phase is under implementation.

The second phase of expansion envisages manufacture of new items such as lathe chucks, drill chucks, tool and cuttergrinders with foreign technical collaboration. For this purpose, the Government of India have approved of the Praga Tools Corporation

Ltd., entering into technical collaboration with the following three firms:—

(i) M/s. F. Pratt & Co., Ltd., U.K.

(ii) M/s. Kearney and Treckker—C.V.A. Ltd., U.K.

(iii) M/s. A. A. Jones & Shipman Ltd., U.K.

Wherever necessary, both the stages of the expansion will be belescoped. The expansion is expected to be completed by 1964-65. With the completion of the expansion the production of the Company is estimated to be of the order of about Rs. 160 lakhs per annum.

It has also been decided to provide a sum of Rs. 1 (one) crore only, under the Polish Credit, to the Praga Tools Corporation Ltd., for stepping up the production of lathes, milling machines, drilling machines etc. The details of this expansion are being worked out.

Large Scale Industries

2180. **Shri Ram Krishan Gupta:** Will the Minister of **Commerce and Industry** be pleased to state at what stage is the proposal to prohibit additional large-scale industrial units in Delhi within a 50-mile radius from the capital in order to reduce congestion in city and pressure on land?

The Minister of Industry (Shri Manubhai Shah): The matter is being dealt with by the Health Ministry.

Salt in Tuticorin Area

2181. **Shri Ram Krishan Gupta:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether it is a fact that huge quantity of salt collected in the Saltpans in the Tuticorin area was destroyed;

(b) if so, the approximate quantity of salt destroyed; and

(c) the reasons therefor?

The Minister of Industry (Shri Manubhai Shah): (a) Yes, Sir.

(b) 2½ lakh maunds.

(c) Due to heavy rainfall amounting to about 25 inches from the 21st October, to 15th November, 1960 in the area.

Royal India, Pakistan and Ceylon Society

2182. **Shri Kalika Singh:** Will the **Prime Minister** be pleased to state:

(a) whether it is fact that old India Society has been renamed Royal India, Pakistan and Ceylon Society;

(b) whether this Royal Society is different from Royal Commonwealth Society; and

(c) whether India proposes to suggest dropping of the word 'Royal' from the name of this Society.

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): (a) Yes. The Society was founded in 1910 as the 'India Society'; was later, 1944, granted the little 'Royal' and then known as the 'Royal India Society'. In 1950 its name was changed to the 'Royal India, Pakistan and Ceylon Society'.

(b) Yes; the Royal Commonwealth Society is a different organisation;

(c) No. The term 'Royal' is granted by a commission from the British Sovereign, indicating patronage and has no political significance. This title has been granted to many other bodies, for example, the Royal Central Asian Institute, the Royal Geographical Society, the Royal Society of Arts, etc.

Gwalior Rayon Silk Manufacturing and Weaving Co., Kerala

2183. **Shri Kalika Singh:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether Gwalior Rayon Silk Manufacturing and Weaving Co. in Kerala have placed orders for the installation of a steam-generating plant with a British firm;

(b) whether the specially designed plant will have a bidrum boiler unit which will be fired in four ways by coal, oil, coal and bamboo sawdust, or oil and bamboo saw-dust; and

(c) whether possibilities of using bamboo sawdust as fuel have been examined in India and if so how and to what extent?

The Minister of Industry (Shri Manubhai Shah): (a) and (b). Yes, Sir. The firm have placed orders with a British firm for supply of machinery for their project, but its design and other relevant details are not available.

(c) Possibilities of using bamboo saw-dust as fuel are being examined by some private parties and it is too early to say anything about its results.

Press Correspondents

2184. Shri K. U. Parmar: Will the Minister of **Information and Broadcasting** be pleased to state:

(a) the number of (i) Indian and (ii) foreign press correspondents accredited with Government of India;

(b) how many of them are having Government accommodation and how many through Press Association; and

(c) what is the policy regarding the same?

The Minister of Information and Broadcasting (Dr. Keskar): (a) 107 accredited correspondents representing Indian newspapers/newsagencies and 73 representing foreign newspapers/newsagencies/broadcasting organisations.

(b) To the extent possible, accommodation is allotted by the Estate Office to those accredited correspondents who are in need of accommodation and whose applications are recommended by the Press Association or forwarded by the Press Information Bureau. So far, according to figures available, 57 accredited press correspondents are occupying Government accommodation, out of which in 38 cases recommendations were made by the Press Association.

(c) The Estate Officer of the Works Ministry takes into account, amongst other factors and subject to the avalability of accommodation, the inability of a correspondent to secure accommodation otherwise and also his actual needs.

House Rent allowance to Government Employees

2185. Shri Ram Garib: Will the Minister of **Works, Housing and Supply** be pleased to state:

(a) whether Government servants who surrender the allotment of Government accommodation are entitled to the grant of House Rent Allowance and if so, whether any conditions are attached to this grant;

(b) whether Government have issued any orders regulating the surrender of accommodation and grant of House Rent Allowance;

(c) if so, whether a copy will be laid on the Table; and

(d) whether the grant of House Rent Allowance in such cases is automatic or whether the Government servant concerned has to apply for it and if so, whose decision is final?

The Minister of Works, Housing and Supply (Shri K. C. Reddy): (a) House Rent Allowance is granted in accordance with the orders issued by Government from time to time. Such allowance consequent on surrender of general pool accommodation is admissible only in Delhi|New Delhi, provided the allottee concerned has retained it for at least six months. If the accommodation is surrendered before the expiry of six months period, house rent allowance is not admissible for the remaining period of six months from the date of allotment of the residence.

(b) and (c). A copy of the relevant orders is placed on the Table of the House. [*See* Appendix III, annexure No. 91].

(d) House Rent Allowance is granted by administrative authorities on the basis of 'No Accommodation' Certificate issued by the Directorate of Estates on an application by the Government servant concerned.

T.A. of the Minister of Information and Broadcasting

2186. Shri K. U. Parmar: Will the Minister of **Information and Broadcasting** be pleased to state:

(a) the travelling allowance of the Minister of Information and Broadcasting for the years 1957, 1958, 1959 and 1960 so far; and

(b) the places or States visited during these years?

The Minister of Information and Broadcasting (Dr. Keskar): (a) and (b). A statement giving the requisite information is laid on the Table. [*See* Appendix III, annexure No. 92].

पूर्वी पाकिस्तान से हिन्दुओं का आगमन

२१८७. **श्री पद्म देव :**
श्री दी० चं० शर्मा :

क्या **प्रधान मंत्री** यह बताने की कृपा करेंगे कि :

(क) १ जनवरी, १९६० से १ दिसम्बर, १९६० तक पूर्वी पाकिस्तान से कितने हिन्दू भारत में बसने के लिये आये ;

(ख) हिन्दुओं के इस आगमन को रोकने के लिये भारत सरकार क्या कदम उठा रही है ; और

(ग) इसी अवधि में कितने हिन्दू पाकिस्तान को लौट गये ?

प्रधान मंत्री तथा वैदेशिक-कार्य मंत्री (श्री जवाहरलाल नेहरू): (क) ८७९१ ।

(ख) इसके दो पहलू हैं : पहला तो यह है कि प्रवास प्रमाण-पत्र (माइग्रेशन सार्टिफिकेट्स) जारी न किए जायें, सिवाय इसके कि जब कोई मज़बत और सुहानुभूतिपूर्ण (कम्पैशनेट) आधार मौजूद हों । यही अब किया जा रहा है । अन्यथा, कहीं ज्यादा लोग आने लगेंगे । दूसरा यह कि पाकिस्तान सरकार को इसके लिए राज़ी किया जाय कि वह एसी हालतें पैदा करें जिनमें लोगों को भारत आने की इच्छा ही न हो । हम पाकिस्तान सरकार का ध्यान बराबर उन कठिनाइयों की ओर दिला रहे हैं जिन्हें पूर्व पाकिस्तान में रहने वाले अल्पसंख्यक जाति के लोग अनुभव करते हैं, विशेषकर स्थानीय अधिकारियों की ऐसी भी कार्रवाई की ओर उनका ध्यान दिलाया जाता है जिससे इस विषय पर भारत-पाकिस्तान करारों का उल्लंघन होता है ।

(ग) कोई नहीं ।

Industrial Units

2188. Shri S. M. Banerjee: Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether a number of major and medium industrial units have been licenced recently;

(b) the number and names of those licenced during 1960;

(c) its State-wise break-up;

(d) the number and names of those to be licenced in 1961; and

(e) whether Government's declared policy of avoidance of concentration of wealth in a few hands has been kept in view in granting them licences?

The Minister of Industry (Shri Manubhai Shah): (a) to (c). 583 licences under the Industries (Development and Regulation) Act, 1951 have been granted during January to November, 1960 for the establishment of new industrial undertakings. Details of these licences showing the names of the units, their location and the items of manufacture together with the capacity licensed are periodically published in the Journal of Industry and Trade.

(d) Licences under the Industries (Development and Regulation) Act, 1951 are granted after examination of applications actually made for the purpose. It is, therefore, not possible to forecast the number or the names of the industrial units to be licensed during 1961.

(e) Licences under the Industries (Development and Regulation) Act, 1951, are granted in pursuance of the policy laid down in the Industrial Policy Resolution of 1956. A large number of new enterpreneurs are being continuously encouraged.

मूंगफली के तेल का निर्यात

२१८६. **श्री सरजू पाण्डेय** : क्या **वाणिज्य तथा उद्योग** मन्त्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि पिछले छः महीनों में मूंगफली के तेल के निर्यात में कमी हुई है;

(ख) यदि हां, तो इसके क्या कारण हैं; और

(ग) सरकार इसका निर्यात बढ़ाने के लिये क्या कदम उठा रही है ?

वाणिज्य तथा उद्योग उपमंत्री (श्री सतीश चन्द्र) : (क) तथा (ख) देश में ऊंचे भाव रहने तथा विदेशों में कड़ी प्रतिस्पर्धा होने के कारण मूंगफली के तेल के निर्यात में कमी हुई है ।

(ग) मूंगफली के तेल के प्रति टन निर्यात के साथ ३।। टन मशीन से पेरी गयी मूंगफली की खली का निर्यात भी जोड दिया गया था । मूंगफली की खली के निर्यात से अच्छा लाभ होता है और इसलिये निर्माताओं को अन्तर्राष्ट्रीय कीमतों पर मूंगफली का तेल बेचने में जो घाटा रहता है वह पूरा हो जाता है । चूंकि चालू वर्ष में देश की और संसार की कीमतों के बीच अन्तर और बढ़ गया है इस कारण और अधिक प्रोत्साहन देने की दृष्टि से सारे निर्यातकों से इस आशय के टेण्डर मांगे गये थे कि वे मूंगफली के तेल के प्रति टन निर्यात पर खोपड़ा और ताड़ के तेल का कम से कम कितना आयात करेंगे । सबसे कम टेण्डरों पर मूंगफली के तेल का निर्यात कने की मंजूरी दे दी गई है तथा प्रति टन मूंगफली के तेल के साथ १।२ टन खोपड़ा भी अतिरिक्त रूप में सम्बद्ध रहेगा । हाल ही में पुराने आयातकों के लिये यह आवश्यक कर दिया गया है कि वे १.२५ हंडरवेट जावित्री, २.५ हंडरवेट तेजपात, दालचीनी और लौंग तथा ७.५ हंडरवेट सुपारी के आयात के बदले १ टन मूंगफली का तेल या ८ टन टेपिओका के आटे का निर्यात करेंगे । मूंगफली के तेल का निर्यात बढ़ाने के लिये अन्य उपायों पर विचार किया जा रहा है ।

Allotment of Newly Built Government Shops in New Delhi

2190. **Shri Balakrishnan:** Will the Minister of **Works, Housing and Supply** be pleased to state:

(a) whether entire blocks of newly built shops are lying vacant in various places in New Delhi; and

(b) if so, the reasons for the delay in allotting the shops to the applicants who are on waiting list?

The Minister of Works, Housing and Supply (Shri K. C. Reddy): (a) Shopping centres have been constructed recently in six Government colonies in New Delhi. The Kidwai Nagar shopping Centre, which was completed in November, 1959, was taken over by the New Delhi Municipal Committee on the 6th April, 1960 and except 40 shops, all have been occupied in that centre. The other shopping centres, which have been completed recently will soon be transferred to the local bodies.

(b) Forty shops are lying vacant in the Kidwai Nagar shopping centre because of court injunctions secured by 32 shopkeepers of Raisina Road and refusal of allotment by 6 shopkeepers of Purana Qila. The shops in other centres will be allotted by the local bodies after they have taken over possession.

Production of Fertilizers

2191. Shri Somani: Will the Minister of **Commerce and Industry** be pleased to state:

(a) the installed capacity and the estimated production of fertilizer factories at the end of the Second Five Year Plan;

(b) the licensed capacity of the factories and the period by which the full production is expected; and

(c) whether there are any proposals for the establishment of fertilizer factories in the private sector?

The Deputy Minister of Commerce and Indutry (Shri Satish Chandra): (a) and (b). A statement is laid on the Table. [*See* Appendix III, annexure No. 93.]

(c) Yes; some applications for the grant of licences have been received for the establishment of nitrogenous fertiliser factories in the States of Andhra Pradesh, Rajasthan and Madhya Pradesh. Almost all the super-phosphate plants are in the private sector.

Pool Guarantee Fund

2192. Shri P. C. Borooah: Will the Minister of **Works, Housing and Supply** be pleased to state:

(a) whether it is a fact that the Government of India have accepted a proposal to create a Pool Guarantee Fund under the Plantation Labour Housing Scheme;

(b) if so, the objectives of this scheme; and

(c) how will the fund be operated?

The Deputy Minister of Works, Housing and Supply (Shri Anil K. Chanda): (a) Yes.

(b) The Fund has been created in order to indemnify the State Governments against bad debts, if any, which they may incur, as a result of their relaxing the security provisions prescribed by them for the advance of loans to the planters under the Scheme.

(c) A statement is laid on the Table. [*See* Appendix III, annexure No. 94.]

Retrenchment in the Ministry of Rehabilitation

2193. Shri Arjun Singh Bhadauria: Will the Minister of **Rehabilitation and Minority Affairs** be pleased to state:

(a) whether it is a fact that the employees retrenched from the Ministry of Rehabilitation with effect from 29th February, 1960 were granted terminal leave due at their credit beyond 29th February, 1960;

(b) whether such retrenched employees had been paid their wages for the terminal leave period; and

(c) if not, the reasons therefor?

The Deputy Minister of Rehabilitation (Shri P. S. Naskar): (a) Yes.

(b) and (c). The retrenched employees have generally been paid their dues excepting in a few cases where some information was wanting of discrepancies had to be reconciled.

Production of Cars

2194. Shri Tangamani: Will the Minister of **Commerce and Industry** be pleased to refer to the reply given to Starred Question No. 1363 on the 8th April, 1960 and state:

(a) whether production of cars has since been kept up to average maintained in 1959;

(b) how many cars in each category, such as Ambassador, Fiat, Standard 10 and Jeeps have been produced during the first nine months of 1960;

(c) the share of each of the three Companies; and

(d) whether steps are being taken for increasing the rate of production in view of increasing demands?

The Minister of Industry (Shri Manubhai Shah): (a) Yes, Sir. The production of cars has exceeded the level maintained in 1959.

(b) and (c) The three cars *viz.* Hindustan Ambassador, Fiat '1100', and Standard '10' are produced by three different manufacturers and for jeeps there is one different manufacturer. The figures of production for the first nine months of 1960 showing the share of each manufacturer are given below:—

Hindustan Ambassador	6744 Nos.
Fiat '1100'	4808 Nos.
Standard '10'	2464 Nos.
Jeeps	3863 Nos.

(d) Yes, Sir.

Middle Income Group Housing Scheme

2195. **Shri Dharmalingam:** Will the Minister of **Works, Housing and Supply** be pleased to state:

(a) whether fund has been released to the Madras Government in 1960-61 so far for implementing the Middle Income Group Housing Scheme; and

(b) the progress made so far under the scheme?

The Deputy Minister of Works, Housing and Supply (Shri Anil K. Chanda): (a) A sum of Rs. 34 lakhs has been allocated to the State Government for the current financial year. The State Government propose to draw this entire amount from the Life Insurance Corporation before 31-3-1961.

(b) The Government of Madras had sanctioned loans to the extent of Rs. 60·97 lakhs (actual disbursement being Rs. 54·36 lakhs) for construction of 419 houses upto the 30th November, 1960 since the inception of the Scheme in 1958-59. Out of these, 36 houses had been completed and 201 houses were reported to be under construction upto that date.

Vacant Plots in Nizamuddin, Delhi

2196. Shri Ramji Verma: Will the Minister of **Rehabilitation and Minoritry Affairs** be pleased to state the total number of plots lying unbuilt in each of the West and East Nizamuddin localities under the control of the Rehabilitation Ministry and what delays their re-sale in terms of the lease deed?

The Deputy Minister of Rehabilitation (Shri P. S. Naskar): 45 plots in West Nizam-ud-din and 5 plots in East Nizam-ud-din have not yet been built upon under the terms of lease deed, where executed. It is not incumbent on the Ministry of Rehabilitation to cancel allotments/sale in case in which buildings are not erected within the period specified in the deed and the Ministry is competent to allow extension of time. The general policy of the Ministry has been, in view of the economic position of the displaced persons not to stringently apply the clause regarding building within a specified period.

Studies in Regional Development

2197. Shri Siddananjappa: Will the Minister of **Planning** be pleased to state:

(a) whether any machinery has been set up to

- (i) make a continuous study of the problem of regional disparities,
- (ii) evolve suitable indications of regional development; and

(b) if so, the details thereof?

The Deputy Minister of Planning (Shri S. N. Mishra): (a) and (b). A Working Group on Problems of Regional Development has been set up in the Planning Commission to make a systematic study of the problems of regional development. The Central Statistical Organisation, the Indian Statistical Institute and the

National Council of Applied Economic Research are participating in the work of the Group.

C.P.W.D. Staff in Sikkim, Nepal and Bhutan

2198. { **Shri H. N. Mukerjee:**
Shri Tangamani:

Will the Minister of **Works, Housing and Supply** be pleased to state:

(a) whether it is a fact that in spite of Government's acceptance of the Pay Commission's recommendations for fixation of pay on a new scale and expeditious payment of arrears, etc. India-based staff of the Central P.W.D. posted in Sikkim, Nepal and Bhutan, have still not received such pay and arrears; and

(b) if so, when the due payments are going to be made?

The Minister of Works, Housing and Supply (Shri K. C. Reddy): (a) Yes.

(b) The question whether or not the Central Civil Services (Revision of pay) Rules, 1960, should be made applicable to the India-based staff of the Central Public Works Department posted in Sikkim, Nepal and Bhutan, who are in receipt of compensatory allowances but not dearness allowances, was under consideration of the Government of India. Necessary orders are being issued to re-fix their emoluments and to pay arrears, if any, due accordingly.

Retrenchment of Employees

2199. Shri Bangshi Thakur: Will the Minister of **Rehabilitation and Minority Affairs** be pleased to state how many employees of the Ministry of Rehabilitation have been thrown out of employment and how many out of them have been reabsorbed in employment so far in Delhi, West Bengal and Tripura, respectively due to winding up of Rehabilitation Ministry or as a preparatory measure to wind up the same?

The Deputy Minister of Rehabilitation (Shri P. S. Naskar): 281 employees were retrenched from the Ministry of Rehabilitation and out of them 276 were absorbed in other Ministries/Departments in Delhi and Calcutta. Only 5 persons including one who was superannuated could not be provided with alternative appointment. Their applications for employment in other Departments were however forwarded for consideration. It is not known how many of them have been re-employed, and where, as they did not approach the Ministry subsequently for further help.

There is no Branch Secretariat of the Ministry of Tripura.

Printing Inks

2200. Shri Yajnik: Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether it is a fact that the production of printing inks has been increasing in the country during the last three years while the imports of the same have declined;

(b) whether All India Printing Ink Manufacturers' Association have requested Government for placing a total ban on the import of printing inks to protect indigenous manufacturers; and

(c) whether Government have decided to reduce the high import duties on the rew materials required for manufacturing ink in the country?

The Minister of Industry (Shri Manubhai Shah): (a) Yes, Sir.

(b) There have been requests by the All India Printing Ink Manufacturers' Association for restricting import of printing inks and gradually the imports are being reduced.

(c) No, Sir.

Nepa Mills

2201. Shri Birendra Bahadur Singhji: Will the **Minister of Commerce and Industry** be pleased to state:

(a) whether any programme of the expansion of Nepa Mills during the Third Five Year Plan has been finalised;

(b) if so, the details thereof;

(c) whether it is a fact that the factory has recently crossed the rated capacity of production of 100 tons per day; and

(d) what is the extent of production in that case?

The Minister of Industry (Shri Manubhai Shah): (a) to (d). The expansion of the capacity of the Nepa Mills from 30,000 to 60,000 tons per year has been approved for inclusion in the Third Five Year Plan. The total cost is estimated to be about Rs. 4 crores. Detailed programme is, however, to be worked out. On three days of the factory crossed the rated capacity of production of 100 tons per day. The details are given below:

31st July 1960	100.66 tons
23rd August 1960	108.33 tons
14th September 1960	101.78 tons

Utilisation of Allocations for Third Plan

2202. Shri Birendra Bahadur Singhji: Will the Minister of **Planning** be pleased to state:

(a) whether it is a fact that the Planning Commission propose to appoint a high-power committee to see that all the States fully utilise the money allotted to them for various projects during the Third Five Year Plan; and

(b) if so, the details of the personnel of the Committee and its terms of reference?

The Deputy Minister of Planning (Shri S. N. Mishra): (a) No, Sir.

(b) Does not arise.

Small Scale Industries in Delhi

2204. Shri Ram Krishan Gupta: Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether Government have received any report from the Small Scale Industries Association of Shadra for setting up a separate Industrial office in the factory area of Shahdra; and

(b) if so, action taken thereon?

The Minister of Industry (Shri Manubhai Shah): (a) No, Sir.

(b) Does not arise.

Classification of Government Quarters

2205. Shri Ram Krishan Gupta: Will the Minister of **Works, Housing and Supply** be pleased to state:

(a) whether there is any proposal to revise the present pay ranges for classification of Government servants for allotment of residential accommodation in New Delhi in view of the merger of the dearness allowance with the pay;

(b) whether there is likely increase in Government revenues by doing so; and

(c) by what time final decision will be taken in this regard?

The Minister of Works, Housing and Supply (Shri K. C. Reddy): (a) and (c). It has already been decided that the existing structure of pay ranges for eligibility to different classes of residences in the general pool, should not be changed.

(b) Does not arise.

Social Work in Government Colonies

2206. Shri Ram Krishan Gupta: Will the Minister of **Works, Housing and Supply** be pleased to state:

(a) whether it is a fact that any social work by the female members of the employees such as running nursery schools, sewing and tailoring classes and dance classes for small children etc. are not allowed to be carried on in Government residential quarters; and

(b) if so, whether there is any proposal to provide these facilities by the Government itself?

The Minister of Works, Housing and Supply (Shri K. C. Reddy): (a) and (b). Residential quarters allotted by Government to their employees are intended to be used for their *bona fide* residence and not for other activities. However, in some cases Government accommodation has been allotted for Nursery Schools, or Grah Kalyan Kendras, where tailoring, embroidery, etc., are taught.

Indo-Pakistan Trade

2207. **Shri Kodiyan**: Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether it is a fact that Pakistan has agreed to supply cotton to India of equal amount against cement and iron supplied by India; and

(b) if so, whether it is a fact that until October last India failed to supply half of the quantity of cement and iron and for this reason there is likelihood of flow of cotton from Pakistan being reduced?

The Deputy Minister of Commerce and Industry (Shri Satish Chandra): (a) and (b). Protocol I to the Trade Agreement between India and Pakistan provides for the exchange of several commodities on a self-balancing basis through an account to be maintained in non-convertible Indian Rupees. Raw cotton is one of the commodities to be supplied by Pakistan Cement and iron and steel are among the commodities to be supplied from India. Due to certain factors, the supplies of cement, iron and steel have been somewhat slow and efforts are being made to speed them up. This has not affected the cotton imports from Pakistan.

Cattle Lifting by Pakistanis in Tripura

2208. **Shri Dasaratha Deb**: Will the **Prime Minister** be pleased to state:

(a) the number of cattle lifted by Pakistanis in the border areas of Tripura, during the year ending on 31st October, 1960;

(b) the number of cases in which the cattle lifters were convicted; and

(c) the steps taken to protect the cattle of Tipura from being lifted by Pakistanis?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): (a) 221.

(b) Three.

(c) Border patrols have been intensified and village resistance parties have been organised. Periodical conferences between the Indian and Pakistani officials at State level are also held to exchange information about cattle lifting and to devise remedial measures.

Vikram Deo College, Koraput (Orissa)

2209. **Shri Sanganna**: Will the Minister of **Rehabilitation and Minority Affairs** be pleased to state:

(a) whether it is a fact that some financial assistance is given to the Vikram Deo College in the District of Koraput (Orissa) by the Dandakaranya Development Authority;

(b) if so, to what extent; and

(c) for what purpose?

The Deputy Minister of Rehabilitation (Shri P. S. Naskar): (a) No financial assistance has so far been given to the Vikram Deo College Joypore, by the Dandakaranya Development Authority.

(b) and (c). Do not arise.

Displaced Families in Bhusandpur

2210. **Shri Chintamoni Panigrahi**: Will the Minister of **Rehabilitation and Minority Affairs** be pleased to refer to the reply given to Unstarred Question No. 1012 on the 18th August, 1960 and state:

(a) whether the one lakh of rupees sanctioned for distribution among the flood distress refugee families of Bhusandpur Colony in Orissa has been distributed to the 267 families by now;

(b) if not, what amount has been distributed so far; and

(c) when the rest of the undistributed money is going to be distributed among the distressed families?

The Deputy Minister of Rehabilitation (Shri P. S. Naskar): (a) to (d). A sum of Rs. 66,653 has already been distributed to the affected families and the remaining amount is expected to be distributed by the 31st March, 1960.

Increase in Excise Duty on Tea

2211. Shri P. C. Borooah: Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether it is a fact that the Government of Assam have approached the Government of India with a request to increase the excise duty on tea in order to compensate for the loss of revenue which Assam will suffer as a result of the Supreme Court's verdict invalidating the carriage tax on tea; and

(b) if so, what action does the Central Government propose to take?

The Minister of Commerce (Shri Kanungo): (a) No Sir.

(b) **Does not arise.**

Indian Tea Imported by West Germany

2212. Shri P. C. Borooah: Will the Minister of **Commerce and Industry** be pleased to state:

(a) the total quantity of Indian tea imported by West Germany in 1957, 1958, 1959 and in 1960 so far;

(b) the total cost involved in propaganda and in the maintenance of the Tea Council in that country during the above period, year-wise; and

(c) the cost incurred on putting up India's stall at the Housewives' Fair held recently at Hanover?

The Deputy Minister of Commerce and Industry (Shri Satish Chandra): **(a)**

(a)	Year	Quantity (in million lbs)
	1957	5·72
	1958	6·08
	1959	5·88

As regards 1960, while a total quantity of 9.08 million lbs. of all teas were imported into West Germany during the period January—August 1960, the shares of the various producing countries are not yet available. During January—September, 1960, exports from India to West Germany were 2.50 million lbs.

(b).

Year (April-March)	India's contribution to the West German Tea Propaganda Corporation	Expenditure incurred by the Tea Board on other promotional activities in West Germany
	(In Rs.)	(In Rs.)
1956-57 .	3,38[illegible]	4,354
1957-58 .	3,50,460	1,898
1958-59 .	3,50,439	1,289
1959-60	3,50,040	1,258

Uptodate figures for 1960-61 are not readily available.

(c) Participation was arranged by the West German Tea Propaganda Corporation. Neither the Government of India nor the Tea Board participated in the exhibition.

Indian Tea Exports to U.S.A.

2213. { **Shri P. C. Borooah:**
Shri Hem Barua:

Will the Minister of **Commerce and Industry** be pleased to state:

(a) the total quantity of Indian tea imported by the U.S.A. in 1957, 1958, 1959 and in 1960 so far; and

(b) the total cost incurred on propaganda and the maintenance of the Tea Council in that country, during the above period, year-wise?

The Deputy Minister of Commerce and Industry (Shri Satish Chandra): (a)

Year	Quantity (in million lbs.)
1957	20·35
1958	30·34
1959	28·51
1960 (January to September)	20·20

(b)

Year (April-March)	India's contribution to the Tea Council of the USA	Expenditure incurred by the Tea Board on other promotional activities in the USA
	(in Rs.)	(in Rs.)
1956-57	28,68,135	54,301
1957-58	32,21,362	5,291
1958-59	23,41,971	3,069
1959-60	1,97,483	36,289

The exact figures for the current financial year are not readily available.

Dandakaranya Development Authority

2214. Shri Sanganna: Will the Minister of **Rehabilitation and Minority Affairs** be pleased to state:

(a) what is the total strength of the Class I and Class II officers working in the Dandakaranya Development Project at present;

(b) what is the number of officers under Class I and Class II re-employed after retirement separately; and

(c) if the answer to part (b) above be in the affirmative, the reasons therefor?

The Deputy Minister of Rehabilitation (Shri P. S. Naskar): (a)

Class I	48
Class II	89
	137

(b) Class I	3
Class I	5

(c) In the public interest as suitable qualified serving officers were not available for appointments.

Quarters for Government Press Employees

2215. Shri Aurobindo Ghosal: Will the Minister of **Works, Housing and Supply** be pleased to state:

(a) whether it is a fact that the Central Government Press employees will be provided with quarters at Santragachi, West Bengal; and

(b) if so, when the same will be completed and at what cost?

The Deputy Minister of Works, Housing and Supply (Shri Anil K. Chanda): (a) In the scheme for resiting the Government of India Press, Calcutta, at Santragachi, there is a provision for the construction of a residential colony for a certain percentage of press employees near the press premises.

(b) The scheme is expected to be completed by the end of the Third Five Year Plan period. Separate estimates of the cost of the residential colony have not so far been framed.

Purchase of Salt-Petre

2216. Shri Ram Garib: Will the Minister of **Works, Housing and Supply** be pleased to state:

(a) whether it is the policy of Government to purchase salt-petre from private industries;

(b) the quantity of salt-petre purchased in 1960 so far and from which industries it was purchased; and

(c) for what purpose the salt-petre is purchased?

The Minister of Works, Housing and Supply (Shri K. C. Reddy): (a) The governmental requirements of salt-petre are purchased by the Directorate General of Supplies and Disposals after inviting quotations from the trade.

(b) Nil.

(c) It is used mostly in the manufacture of explosives and in pyrotechnic industries.

Export of Coffee

2217. Shri Daljit Singh: Will the Minister of **Commerce and Industry** be pleased to state how far there has been progress in the export of coffee during the last six months?

The Deputy Minister of Commerce and Industry (Shri Satish Chandra): The quantity sold for export during the six months ending November 1960 is 8447 tonnes.

Export of Sewing Machines

2218. Shri Daljit Singh: Will the Minister of **Commerce and Industry** be pleased to state how far there has been progress in the export of sewing machines during the last six months?

The Deputy Minister of Commerce and Industry (Shri Satish Chandra): Exports of sewing machines (household and industrial) for the period April-September, 1960, were 10827 Nos. valued at Rs. 8,94,271 as against 4369 nos. valued at Rs. 5,38,067 during the corresponding period of 1959.

Techno-Economic Survey of Manipur

2219. Shri L. Achaw Singh: Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether any report on the Techno-Economic Survey of Manipur htas been submitted by the National Council of Applied Economic Research; and

(b) if so, the main findings thereof?

The Minister of Industry (Shri Manubhai Shah): (a) and (b). The National Council of Applied Economic Research has recently finalised the Techno-Economic Survey of Manipur, which is expected to be received by Government shortly.

Shortage of Cement and Steel in Manipur

2221. Shri L. Achaw Singh: Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether it is a fact that construction of buildings, both in the public and private sectors, and of bridges in Manipur has been greatly hampered by the non-availability or shortage of cement and steel; and

(b) if so, the steps taken to remove the shortage?

The Minister of Industry (Shri Manubhai Shah): (a) and (b). A statement is laid on the Table. [*See* Appendix III, annexure No. 95].

Price of Salt in Manipur

2222. Shri L. Achaw Singh: Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether it is a fact that the price of salt in Manipur has increased from Rs. 9 per maund to Rs. 20 per maund and a huge racket of black-marketing has prevailed very recently; and

(b) if so, the steps taken to stop and check the racket?

The Minister of Industry (Shri Manubhai Shah): (a) and (b). Manipur Administration reported in the second week of November, 1960, that the prevailing price for salt locally was high. This appeared to be due to non-lifting of quotas allocated to Manipur by salt traders of Manipur. Steps have been taken by Salt Department, in consultation with the Manipur Administration, for the movement of 5,700 maunds of salt to Manipur. Arrangements have also been made for rushing further supplies to Manipur in consultation with the Manipur Administration.

Powerlooms in Maharashtra and Gujerat

2223. **Shri Yadav Narayan Jadhav:** Will the Minister of **Commerce and Industry** be pleased to state the number of authorised and unauthorised powerlooms at the different centres in the States of Maharashtra and Gujerat uptodate with a break up of powerlooms run on cotton yarn and non-cotton yarn Centre-wise?

The Minister of Commerce (Shri Kanungo): The information is being collected and will be laid on the Table of the House when received.

Netaji Subhas Chandra Bose

2224. **Shri Aurobindo Ghosal:** Will the **Prime Minister** be pleased to state:

(a) whether the name of Netaji Subhas Chandra Bose appears in the list of war-criminals of the U.K.; and

(b) if so, what steps have been taken to delete the name?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): (a) and (b). Government have no information in this matter. Attempts are, however, being made to obtain such information as is possible through our High Commissioner in the U.K.

गाय तथा बछड़ों की खाल का निर्यात

२२२४-क. **पंडित ब्रज नारायण 'ब्रजेश' :**
श्री प्रकाश वीर शास्त्री :

क्या **वाणिज्य तथा उद्योग** मंत्री यह बताने की कृपा करेंगे कि १९५७, १९५८ तथा १९५९ में और ३१ अक्तूबर, १९६० तक गायों व बछड़ों की कितनी खालें किस-किस देश को निर्यात की गईं ?

वाणिज्य तथा उद्योग उपमंत्री (श्री सतीश चन्द्र) : एक विवरण पटल पर रखा जाता है । [देखिये परिशिष्ट ३, अनुबन्ध संख्या ९६]

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12 hrs.

PAPERS LAID ON THE TABLE

ANNUAL REPORT OF TRADE MARKS REGISTRY

The Minister of Commerce (Shri Kanungo): Sir, I beg to lay on the Table a copy of the Annual Report of the Trade Marks Registry for the year ending 31st March, 1960, under Section 126 of the Trade and Merchandise Marks Act, 1958. [*Placed in Library. See* No. LT-2550|60]

REPORT OF U.P.S.C.

The Deputy Minister of Labour (Shri Abid Ali): Sir, on behalf of Shri B. N. Datar, I beg to lay on the Table a copy of each of the following papers under Article 323(1) of the Constitution:—

(1) Tenth Report of the Union Public Service Commission for the period 1st April, 1959 to 31st March, 1960.

[Shri Abid Ali]

(2) Memorandum explaining the reasons for non-acceptance of the Commission's advice during 1959-60. [*Placed in Library. See* No. LT-2551|60.]

REPORT OF SECOND AGRICULTURE LABOUR ENQUIRY, AMENDMENT TO EMPLOYEES' PROVIDENT FUNDS SCHEME AND SUMMARY OF PROCEDINGS OF INDIAN LABOUR CONFERENCE

Shri Abid Ali: Sir, I beg to lay on the Table a copy of the—

(i) Report of the Second Enquiry on Agricultural Labour in India (Vol. 1—All India). [*Placed in Library, See* No. LT-2552|60]

(ii) Notification No. G.S.R. 1467 dated the 10th December, 1960 making certain further amendment to the Employees' Provident Funds Scheme, 1952, under sub-section (2) of Section 7 of the Employees' Provident Funds Act, 1952 [*Placed in Library, See* No. LT-2553|60]

(iii) Summary of proceedings of the Eighteenth Session of the Indian Labour Conference held at New Delhi on the 24th and 25th September, 1960. [*Placed in Library, See* No. LT-2554|60]

STANDARDS OF WEIGHTS AND MEASURES (CONVERSION OF LAND AREAS) RULES

The Deputy Minister of Commerce and Industry (Shri Satish Chandra): Sir, I beg to lay on the Table a copy of the Standards of Weights and Measures (Conversion of Land Areas) Rules, 1960 published in Notification No. S.O. 2874 dated the 3rd December, 1960, under sub-section (3) of section 17 of the Standards of Weights and Measures Act, 1956. [*Placed in Library. See* No. LT-2555|60]

12.04 hrs.

MESSAGES FROM RAJYA SABHA

Secretary: Sir, I have to report the following messages received from the Secretary of Rajya Sabha:—

(i) "In accordance with the provisions of rule 125 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to inform the Lok Sabha that the Rajya Sabha, at its sitting held on the 19th December, 1960, agreed without any amendment to the Forward Contracts (Regulation) Amendment Bill, 1960, which was passed by the Lok Sabha at its sitting held on the 9th December, 1960."

(ii) "In accordance with the provisions of rule 125 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to inform the Lok Sabha that the Rajya Sabha, at its sitting held on the 19th December, 1960, agreed without any amendment to the Preference Shares (Regulation of Dividends) Bill, 1960, which was passed by the Lok Sabha at its sitting held on the 14th December, 1960."

12·05 hrs.

COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS

SEVENTY-FIFTH REPORT

Sardar Hukam Singh (Bhatinda): Sir, I beg to present the Seventy-fifth Report of the Committee on Private Members' Bills and Resolutions.

12.05½ hrs.

PUBLIC ACCOUNTS COMMITTEE

THIRTY-FIRST REPORT

Shri Barman (Cooch-Behar-Reserved—Sch. Castes): Sir, I beg to present the Thirty-First Report of the Public Accounts Committee (1960-61) on the Appropriation Accounts (Posts & Telegraphs) 1958-59 and Audit Report 1960.

12.06 hrs.

CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE

PREVALENCE OF SLAVERY IN N.E.F.A.

Shri Vajpayee (Balrampur): Sir, under Rule 197, I beg to call the attention of the Prime Minister to the following matter of urgent public importance and I request that he may make a statement thereon:—

> "The reported prevalence of slavery in the North-East Frontier Agency."

The Deputy Minister of External Affairs (Shrimati Lakshmi Menon): Sir, it is a two-page statement. Would you like me to place it on the Table of the House?

Mr. Speaker: All right. The statement will be placed on the Table of the House. Hon. Members will look into it leisurely.

But I have always said that while placing a long statement on the Table of the House a small summary of it in a few lines may be given out orally or read out from the statement itself. Is there slavery at all?

Shrimati Lakshmi Menon: Yes Sir.

Mr. Speaker: Very well. There is slavery. The other details will be there in the statement.

Shri Braj Raj Singh (Firozabad): What steps do Government propose to take now to abolish this sort of slavery?

Mr. Speaker: When it has been admitted that slavery is there, hon. Members will kindly read the statement before putting other questions.

Shri B. Das Gupta (Purulia): It may be circulated to Members. Sometimes, Sir, the statements placed on the Table are not circulated.

Mr. Speaker: Any hon. Member can get a copy in the Notice Office.

STATEMENT

Slavery in the NEFA is a heritage from the past when inter-village and inter-tribal feuds were very common. People became slaves for a number of reasons. They were captured in war; they were purchased; they were used to repay a debt. Many were born slaves. Sometimes a man became a slave because he had committed a serious offence against the community and could not afford the fine demanded.

2. The slaves are, however, by and large, treated as members of the household and are themselves quite often unwilling to leave the shelter and security of their masters to lead an independent life. In many homes, they come to be accepted as members of the family after a period of years. The owner provides them with food, clothing and shelter. He arranges their marriage. In some areas, a slave is allowed to keep a part of the earnings.

3. The Government of India is a contracting party to the Slavery Convention of 1926. Its provisions were applied to NEFA in 1938. It was agreed that positive steps should be taken as soon as possible to bring about progressively the disappearance of slavery in every form. Our Constitution does not permit slavery. Government have been exerting all efforts to eradicate this evil. Where

[Mr. Speaker]

necessary compensation in cash has been paid to liberate slaves from their masters. During the current year, a sum of Rs. 25,000 has been provided for this purpose. The Political Officers are authorised to pay up to Rs. 500 for the emancipation of the individual slave.

4. During 1950 and 1959, some 160 slaves have been liberated through Government efforts. There are a few hundred more slaves left in NEFA.

5. During a Conference of the senior officers of the NEFA Administration in October, 1960, decision was taken to take even more energetic steps for the liberation of the small number of slaves still left in NEFA. Some of the ways suggested were:

(a) A slave who becomes a Government employee should be encouraged to put aside his savings regularly and himself pay for his liberation;

(b) when a slave escapes, no efforts should be made by the Government to restore him to his owner;

(c) when a slave is involved in a customary case, the local authorities should see that the customary decision does not strengthen the owner's hold over the slave;

(d) when a slave-owner is involved in a customary case for which he has to pay fines, the possibility of compelling him to liberate slaves in lieu should be exploited;

(e) when a slave-owner becomes eligible for relief from Government, it should be given on the condition that he will free one or more slaves;

(f) in border areas refugees bringing slaves should be denied asylum unless they set them free;

(g) no one who is a slave-owner should be given any form of paid Government employment; and

(h) no one born after 15th August, 1947, should, under any circumstances, be accepted as a slave nor should the transfer of ownership of slaves after that date accepted as legal.

6. Efforts are being made to eradicate slavery from the NEFA as soon as possible. The situation is not serious nor has the Government met with failure in ending slavery as has been stated in the adjournment motion. The process has necessarily to be slow, for it would only add to the problem if a slave is freed, without at the same time providing for his (and in many cases his masters) rehabilitation suitably.

7. The need to accelerate the process has, however, been fully realized, specially in view of developments across the border, as it would be clear from decisions recently taken in Shillong, (as summed up above).

12.08 hrs.

STATEMENT *RE*: CLOTH PRICES

The Minister of Commerce and Industry (Shri Lal Bahadur Shastri): Sir, the House is aware that as a result of discussions which had taken place between the Indian Cotton Mills Federation and the Government in August last, a scheme of voluntary price regulation was adopted by the Federation and announced with the approval of Government. Under that scheme, maximum ex-mill prices were laid down for different categories of cloth, expressed in the form of percentage increases permitted over the prices prevailing in August 1959. The percentages prescribed were as follows:

Coarse—25 per cent.
Lower Maximum—22 per cent.
Higher Medium—18 per cent.
Fine—11½ per cent.
Superfine—9 per cent.

Under the scheme, ex-mill prices and retail prices were to be stamped on all cloth manufactured, the retail prices being calculated on the basis of ex-mill prices plus a margin of 15 per cent for the trade. Prices were similarly laid down for different counts of yarn.

Since I made a statement three months back, the situation has eased in the sense that there has been no rise in the prices of any variety of cloth. In fact the tendency has been otherwise in the case of fine and superfine cloth, and to an extent in the higher medium also. These varieties are being sold in the market below the ceiling prices prescribed by the Indian Cotton Mills Federation. It is true, however, that in the coarse and lower medium, the impact of reduction is not the same as in other varieties and especially in the rural areas.

The wholesalers and retailers have felt dissatisfied over the margin of 15 per cent prescribed for the trade. I have been continuously receiving representations and deputations from them. It has resulted in the wholesalers not adequately lifting the cloth from the mills and retailers also remaining indifferent. The pipeline has not been flowing well and the stock in the mills is, therefore, on the increase and it is understood that a little less than 4 lakh bales of cloth are accumulated in different mills. This is not a very happy situation.

We have been giving thought to these matters and have held discussions with the Indian Cotton Mills Federation. I had a further talk with them during this week. The discussions have been fruitful and it has been decided to take the following steps.

The Federation has agreed to reduce the prices further. The revised prices, expressed in percentage increases over the prices prevailing in August, 1959 will be as follows: coarse, 20 per cent; lower medium, 17 per cent; higher medium 13 per cent; fine, 8½ per cent; and superfine, six per cent. The revised prices reflect a reduction of five points in the prices of coarse, lower medium and higher medium categories and of three points in the prices of fine and superfine categories over the prices fixed in September. My anxiety has been to effect higher reduction in the prices of especially those fabrics which are in common use and come in the categories of coarse and lower medium. We, therefore, suggested to the Federation that in the case of selected varieties of cloth in those categories an additional reduction of three points should be made. The Federation has agreed to this. The varieties will be selected separately for each mill, jointly by the Federation and the Textile Commissioner and the total quantity of cloth covered by these selected varieties would amount to about 25 per cent of the total production. This will, I am sure, give definite relief to the large majority of the consumers.

The existing stocks of cloth with the mills would be released hereafter at the revised prices, and stocks which are unstamped at present would be stamped on the revised basis. The problem of prices can be solved on a continuing basis only by increased production and augmented supply. In the short run, an increase in the supply can be brought about only by utlising the existing productive capacity to the maximum extent. The Indian Cotton Mills Federation have agreed to request all mills to work three shifts so as to increase the production of cloth by at least ten per cent. The third shifts is already operative in some mills and it will now become operative in the rest. It is expected that all the steps necessary in this

[Shri Lal Bahadur Shastri]

connection would be completed within four to six weeks. Government have no doubt that the increased quantity of cotton required for this purpose would be available to the mills. The Textile Commissioner will be keping a continuous watch on the position of stocks of cloth with the mills, so as to make sure that the supply of cloth is keeping pace with the demand and the pipelines are not interrupted.

The co-operation of the trade is essential if the pipelines from the mills to the consumers are to operate smoothly. Government have considered the representations received from the trade in regard to the margin allowed at present over the ex-mill prices and have agreed to the increase of the margin from 15 per cent to 18 per cent.

When textile prices started rising towards the end of 1959 and the beginning of 1960, the main contributory reasons were the increase in the price of raw cotton and the upward revision of wages as a result of the implementation of the Wage Board's recommendations. Of these, the most significant factor was the increase in raw cotton prices which were directly attributable to the failure of the Indian cotton crop of 1959-60.

We have, however, been more fortunate in the current season's cotton crop compared to the last two seasons. The present estimates of the current crop are fairly good and the forecast is that we may have a crop of between 48 lakh to 50 lakh bales, as compared to last year's crop of 37 lakh bales.

The cotton has now started moving into the market and by January next a large part of the indigenous cotton would have come. Government are also continuing their efforts to augment foreign imports still further so that an adequate buffer stock could be built up. In these circumstances, production is sure to improve and increase, and it is bound to have its effect on the market and the prices.

Another important step which Government have taken is to refer the question of the fixation of fair, ex-mill and retail prices to the Tariff Commission. The main terms of reference include the determination of the cost of production of the various types of cloth and yarn, and fair ex-mill prices of cloth and yarn. In addition, the Commission has also been requested to suggest methods for effecting suitable adjustments from time to time in such prices so as to allow for major fluctuations in the price of raw cotton and other elements of cost of production. These are fairly comprehensive and the report of the Commission would help the Government in deciding on a long-range policy in regard to cloth prices and other connected matters.

As regards yarn, the prices are still under consideration but we expect that they would also be fixed in a manner which would correspond to the revised prices of cloth.

Shri Ranga (Tenail): May I know whether the Tariff Commission will also be requested to suggest to what extent it would be possible to bring down the prices of cotton yarn in view of the fact that Government is anxious to increase the production of cloth? In the handloom industry crores of people are employed and they are producing quite a large proportion of the total quantity of cloth that is needed in the country. The handloom weavers are also suffering now and they would like to have a sutiable reduction in the prices of cotton yarn.

Mr. Speaker: The handloom weavers are also suffering.

Shri Lal Bahadur Shastri: My impression is that that aspect is included, but I am prepared to look into it further and do whatever is necessary.

Shri Braj Raj Singh (Firozabad): The Minister's statement reveals that the prices of coarse and medium cloth especially are 20 per cent higher than they were in August, 1959. He also said that the cotton crop is fairly good. May I know whether the Minister is satisfied with the cut which has been recently agreed to with the Federation and, if not, what further steps he is going to take so as to keep the prices at the level of those obtaining in August, 1959 especially with respect to the medium and coarse varieties?

Shri Lal Bahadur Shastri: As I said, the cotton has started moving into the market now. In fact, most of the cotton comes into the market by the end of February or even till the middle of March. The expectations about the crop, as I said, seem to be quite good. Therefore, for the time being, what has been decided seems to be satisfactory. But the main point that the hon. Member has to remember is that especially in the case of the special varieties of cloth which come under the categories of coarse and lower medium and which are commonly used by the people, the reduction is more substantial. That is, it will be about eight per cent. It will then come down to 17 per cent.

Shri Braj Raj Singh: The Minister agreed that the increase mainly was due to the shortage of cotton supply to the mills. Now, he admits that cotton is being made available to the mills in adequate quantities and that within four weeks, the November crop shall be there and that there will be no difficulty. If, within this period—four to six weeks—the cotton is made available to the mills in adequate quantities as mentioned by him, may I know whether the Government will compel the mills to keep the prices at those rates which were prevalent in August, 1959?

Mr. Speaker: If conditions have eased, why do they not go back to the prices prevailing in 1959? That is the question.

Shri Lal Bahadur Shastri: Firstly, the conditions have not eased to that extent. Secondly, there are other reasons also for the rise in prices. As I said, the recommendations of the Wage Board were implemented and there is a rise in wages. Thirdly, the prices of indigenous cotton are still high and those of imported cotton are much higher. So, all these factors are there. Therefore, it is not possible to bring down the prices to the August 1959 level.

Mr. Speaker: What hon. Members obviously want to know is, whether the hon. Minister means to say that the 20 per cent cut in the prices now will stand and there would not be any further reduction and there will be no going back to the price-level of August, 1959, notwithstanding the fact that the situation regarding cotton eases.

Shri Lal Bahadur Shastri: I did not say that. I have said that at present for the time being, this is the price which has been prescribed and we have agreed to that.

Mr. Speaker: Is there any time-limit?

Shri Lal Bahadur Shastri: There is no time-limit. But as I said, the chances are that as the position of cotton will ease it will have a good effect both on the market as well as on the prices. The prices are expected to go down.

Mr. Speaker: Does he mean that of its own accord, it will go below 20 per cent?

Shri Lal Bahadur Shastri: I expect so, because it will depend on the cotton position and higher production. They have agreed to increase production of the special varieties by 25 per cent. I do expect the prices should come down.

Shri Anthony Pillai (Madras North): The textile wage board estimated that the increase in wages would result in only a 2 per cent rise in the cloth prices. On the last occasion, they have allowed a price rise of 25 per cent.

[Shri Anthony Pillai]

Now the Minister says the cotton position has much improved and they are going to have some 50 lakh bales. Out of the 25 per cent increase in the price of cloth, 23 per cent was represented by increase in the cotton price. So, if the cotton supply eases, surely the price of cloth should come down by much more than 5 per cent as suggested by the hon. Minister.

Shri Lal Bahadur Shastri: It will come down by 5 per cent and in some cases by 8 per cent. As I said, the cotton position is yet to improve. The House will remember that last time when this matter was discussed in this House, Government themselves had suggested to the Cotton Mills Federation to bring down the prices to 20 per cent and not to keep it at 25 per cent. Now that 20 per cent has been agreed to. Not only 20 per cent, but 3 per cent more in the varieties which are in common use has been agreed to.

Shri Damani (Jalore): For the sake of clarification, I want to ask if the qualities which are being used by the industry for the manufacture of belting products, and rubber products like cycle tyre, will be free from stamping?

Shri Lal Bahadur Shastri: I do not think they can be excluded.

Shri Ranga: May I take it that it is not the intention of the Government to further reduce the floor price for cotton, because there are already complaints that the floor price is much too low, in view of the rising prices of all commodities and inflation?

Shri Lal Bahadur Shastri: It is a different question altogether—floor price and ceiling prices of cotton. Anyhow, the price has been settled for this year and we cannot interfere with it at the present moment.

Sardar Iqbal Singh (Ferozepur): About the working of the cotton control order, may I know whether Government have received any complaints from the Punjab region that this order about requisitioning of cotton bales is going against the peasants and the peasants are suffering because of it?

Shri Lal Bahadur Shastri: I have not received any complaint, but if the hon. Member will bring any specific matter to my notice, I shall certainly look into it.

श्री विभूति मिश्र (बगहा) : मैं कामर्स एण्ड इंडस्ट्री मिनिस्टर से यह कहना चाहता हूं कि किसान के गल्ले की प्राइस की तरह ही इंडस्ट्रियल गुडस की भी इन्टेगरेटिड प्राइस होनी चाहिये । ऐसा नहीं होना चाहिये कि कपड़े का दाम बढ़ जाये, तो गल्ले का दाम गिर जाये और गल्ले का दाम बढ़ जाये तो कपड़े का दाम गिर जाये । मैं चाहता हूं कि गवर्नमेंट की कोई इन्टेगरेटिड पालिसी होनी चाहिये कि सारी चीजों का दाम एक जैसा चले और सरकार चलाये ।

Mr. Speaker: He wants that all the prices of all the commodities which are in use to be controlled, so that there may be uniformity. (*Interruption*).

Shri Braj Raj Singh rose—

Mr. Speaker: I am not going to allow. I have allowed a sufficient number of questions.

Shri Braj Raj Singh: You were pleased to remark towards the beginning of the session when this question came up that you would allow a discussion if the prices did not come down. Now the hon. Minister admits that in certain varieties like the coarse and medium varieties, cloth prices will be 17 per cent above the August 1959 level and in other cases it will be 20 per cent. These are the main varieties which are used by the poor people.

Mr. Speaker: If he had said this as soon as the statement was made by the Minister, I would have considered it, I myself was considering then whether I may not allow a discussion. But a discussion has already been allowed now. The hon. Member has said more than what he would have said if a discussion is allowed. He may put one more question.

Shri Braj Raj Singh: May I know whether any date-line has been fixed for the report of the Tariff Commission about the fixation of cloth prices and whether after the report is received Government will look into all the circumstances—the price of cotton, etc,—while accepting the report?

Shri Lal Bahadur Shastri: No date-line has been prescribed, so far as my information goes. Generally it is not done.

श्री विभूति मिश्र : मेरी बात का जवाब नहीं दिया गया है ।

अध्यक्ष महोदय : उस का जवाब नहीं दिया जा सकता ।

Shri Yadhav Narayan Jadhav (Malegaon): There is a Press report to the effect that there is a large stock lying in the textile mill sector. The hon. Minister has said the textile mills will be allowed to have more production in some varieties. Does it mean that the targets fixed for the textile mill sector for the Third Five Year Plan will be reached within the next year?

Shri Lal Bahadur Shastri: The targets for the Third Five Year Plan is going to be much higher. So far as the present accumulation is concerned, I hope it will be cleared very soon in the light of the steps that we now propose to take. As I said, the trade was almost non-co-operating and they were not lifting the cloth. They were if not actually non-co-operating, were very indifferent. Now the cloth will be lifted and I hope there will be no accumulation in the mills in the course of the next few months. (*Interruptions*).

Raja Mahendra Pratap (Mathura): Are not the lives of people more valuable than the prices of cloth? People are dying in Punjab.

Shri Tyagi (Dehra Dun): He deserves congratulations for his achievement; he has done it single-handedly without any help from any foreign experts.

12·28 hrs.

MARKING OF HEAVY PACKAGES (AMENDMENT) BILL

The Minister of State in the Ministry of Transport and Communications (Shri Raj Bahadur): I beg to move for leave to introduce a Bill to amend the Marking of Heavy Packages Act, 1951.

Mr. Speaker: The question is:

> "That leave be granted to introduce a Bill to amend the Marking of Heavy Packages Act, 1951."

The motion was adopted.

Shri Raj Bahadur: I introduce the Bill.

12·29 hrs.

RE: BUSINESS OF THE HOUSE

Shri Khadilkar (Ahmednagar): May I seek a clarification? May I know when item No. 9 on the agenda paper will be taken up?

Mr. Speaker: At 5 o'clock.

Shri Braj Raj Singh (Ferozabad): There are two half-an-hour discussions also.

Mr. Speaker: The motion of Shri Vittal Rao will be taken up at 3 o'clock. Shri Khadilkar's motion will be taken up at 5 o'clock for an hour, or even earlier, if the first motion is finished earlier. After the first motion, this will be taken up as the next item.

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—

12.30 hrs.

INDUSTRIAL FINANCE CORPORATION (AMENDMENT) BILL

The Deputy Minister of Finance (Shrimati Tarkeshwari Sinha): Sir, I beg to move:

> "That the Bill further to amend the Industrial Finance Corporation Act, 1948, be taken into consideration."

As the House is aware, the Industrial Finance Corporation Act was passed in 1948 to set up an institution for providing medium and long term credit to industrial concerns in India. The Act was amended in 1949, 1952, 1955 and 1957. The amendments effected on the last occasion, it will be recalled, were mainly to authorize the Corporation to guarantee deferred payments in respect of import of capital goods from abroad and to enhance the Corporation's borrowing powers.

The House may have already noticed the significant improvement during the last year in the overall business of the Corporation, as revealed in its Annual Report for the year ended 30th June 1960, which was laid on the Table of the House a few weeks ago. I would like particularly to invite the attention of the House to the record total of loans approved by the Corporation amounting to Rs. 17·92 crores, the previous highest figure having been Rs. 15.13 crores in 1955-56. The profits of the Corporation during the last year have also recorded a substantial increase over that of the previous year. The Corporation has been able to augment its reserves appreciably. During the last three years the Corporation has paid back to the Central Government over Rs. 25 lakhs on account of the subvention received by it in earlier years for the discharge of its liability to pay a guaranteed dividend. The House may also be aware that, for the first time since its inception, the Corporation has secured a foreign exchange line of credit of $10 million from the Development Loan Fund of the U.S. Government for sub-lending to industrial concerns in India. This will further increase the usefulness of the Corporation.

In view of the progress already achieved by the Corporation and the role it is expected to play in the coming Third Plan period, it is necessary to equip the organisation with the necessary tools to serve industry in a wider field. This Bill is largely intended to serve that purpose as is explained in the Statement of Objects and Reasons attached to the Bill.

I now turn to explain briefly some of the amendments before the House. It is proposed to amend section 23 of the Act to widen the scope of the business which the Corporation may transact. Under the existing statute, the Corporation is authorised to grant loans floated by industrial concerns in the public market, but not loans raised by such concerns from banks. It may sometimes happen that a concern which has already mortgaged its assets to the Corporation is unable to offer suitable securities for getting necessary accommodation from a bank. It seems but proper that facilities should be provided in suitable cases for industrial concerns to secure bank accommodation on the guarantee of the Corporation. Again, the Corporation has now power to guarantee deferred payments for import of capital goods from outside India but it cannot guarantee deferred payments in respect of capital goods manufactured inside the country. It seems desirable to include the purchase of indigenous capital goods also within the scope of guarantee of deferred payments.

There has been a demand from business circles that the Corporation should have powers to guarantee credit arrangements made by Indian industrial concerns with foreign institutions like the Export-Import Bank of the U.S.A. It is proposed to meet this demand by empowering the Corporation to guarantee loans in foreign currency, subject to the prior approval of the Central Government.

Under the existing Charter, the Corporation is empowered to underwrite the issue of stocks and shares etc. by individual concerns, but is precluded from subscribing directly to such issues. In the present context of rapid industrial development it is considered that the association of an institution like the IFC with direct subscription to capital will engender a greater feeling of confidence in the general public. Furthermore, if industrial concerns can raise the necessary capital with relative ease, their dependence on the Corporation for loan finance will, in part, be reduced. It is therefore, proposed to amend the Act to permit the Corporation to enter this new field of direct subscription to capital issues.

Of the various businesses of the corporation, the most important one has been the grant of long-term loans to industrial concerns. These loans carry only a fixed rate of interest for the entire period. Where a venture, which has received a sizable loan from the Corporation, makes a very large profits and declares handsome dividends, it seems but reasonable that the Corporation should be enabled to share in the prosperity of the concern. To achieve this purpose, it is proposed to make it permissible for the Corporation to conclude, in suitable cases, loan arrangements containing the option to convert loans etc. granted by it into share capital of the loanee concern. I may incidentally mention, in this connection, that this method of financing is also practised by the International Finance Corporation.

I now come to another important change proposed by the Bill. Under the present section 24 of the Act, the Corporation cannot guarantee loans or grant loans and advances, or subscribe to debentures of a single industrial concern if the total amount exceeds Rs. 1 crore, without the guarantee of the Central Government for the repayment of the loan with interest. The Government owns 20 per cent of the share capital of the Corporation. The Government gives the Corporation substantial loans from time to time. In addition, the Government has guaranteed all the bonds floated in the Indian market by the Corporation. It has also guaranteed the foreign currency loan raised by the Corporation from the Development Loan Fund of the USA. There is thus little point in the Government guaranteeing, over again, the individual loans etc. exceeding Rs. 1 crore which the Corporation gives, naturally sparingly, to industrial concerns in India. It is, therefore, proposed to dispense with the provision in the present section 24 for the Central Government's guarantee whenever the Corporation lends more than Rs. 1 crore to a single party. Nevertheless, Government would exercise proper control on such business. The amendment now before the House provides for Government's prior approval being obtained by the Corporation, in the case of these relatively large loans.

Before I conclude, I may mention briefly some of the other amendments in the Bill. It is proposed to include the cold storage industry in the definition of industrial concerns eligible for financial assistance from the Corporation. The House will welcome another provision in the Bill which seeks to bring the provisions of section 42 of the Act relating to the framing of rules by the Government, in accordance with the practice approved by the House.

[Shrimati Tarkeshwari Sinha]

There are a few other amendments which are of a minor or of a drafting nature and I need not take any further time of the House to discuss them. With these remarks I commend the Bill to the House for consideration.

Mr. Speaker: Motion moved:

> "That the Bill further to amend the Industrial Finance Corporation Act, 1948, be taken into consideration."

There is an amendment by Shri Prabhat Kar. He may move the amendment and also speak on it.

Shri Prabhat Kar (Hooghly): I move that the Bill be referred to a Joint Committee of the Houses consisting of 30 members; 20 from this House, namely:—

> Seth Achal Singh, Shri Premji R. Assar, Shri S. M. Banerjee, Shri Hem Barua, Shri Naushir Bharucha, Shri Bibhuti Bhushan Das Gupta, H. H. Maharaja Pratap Keshari Deo, Shri V. Eacharan, Shri M. Elias, Shri Bhaurao Krishnarao Gaikwad, Shri Aurobindo Ghosal, Shri Indrajit Gupta, Shri Muhammed Khuda Bukhsh, Shri K. P. Kuttikrishnan Nair, Shri C. R. Narasimhan, Shri Raghunath Singh, Shri E. V. K. Sampath, Shri Braj Raj Singh, Shri Shraddhakar Supakar, Shri Prabhat Kar;
>
> and 10 members from Rajya Sabha;

that in order to constitute a sitting of the Joint Committee the quorum shall be one-third of the total numbers of members of the Joint Committee;

that the Committee shall make a report to this House by the first day of the next session;

that in other respects the Rules of Procedure of this House relating to Parliamentary Committees will apply with such variations and modifications as the Speaker may make; and

that this House recommends to Rajya Sabha that Rajya Sabha do join the said Joint Committee and communicate to this House the names of members to be appointed by Rajya Sabha to the Joint Committee.

So far as this Bill is concerned, we have suggested that this Bill be referred to a Joint Committee, the reason being that by this amendment a new character is going to be imposed on the Industrial Finance Corporation.

This Corporation, as pointed out by the hon. Minister, was started in 1948 with a view to provide medium and long-term credit for industrial undertakings. There have been subsequent amendments made to the Industrial Finance Corporation Act and the last one was to the effect that the Corporation is to guarantee in the import of capital goods on behalf of the private sector.

The new amendment gives power to the Corporation to guarantee industrial undertakings' advances from banks including co-operative banks and also to guarantee purchase of capital goods produced in the country. In short, I would say that the Industrial Finance Corporation is to act as what was known in the olden times as the shroff or the bania system to guarantee all the transactions of the principal. That part the Corporation is going to play on behalf of the private sector.

The purpose for which the Industrial Finance Corporation was established was with a view to help the industries in tiding over their difficulties and that also in the case of some specified industries so that they could be helped their function. Today, if we look into the statement of objects and reasons, as pointed out by the hon. Minister, we find that the Corporation will act as a guarantor in all the financial affairs of a company. The Corporation will be granting loans and the property will be mortgaged. Thereafter if finance is required, the company is to ask for an advance or loan from the bank. As it will not be possible for it to secure the required advance or loan in the absence of security, the Corporation which has already granted loans will stand as a guarantor to the bank so that the money may be paid to the concern. When the property is already mortgaged to the Corporation because a loan is already standing in the name of the creditor, how will the same man again stand a guarantee to the bank? In case of difficulties which will be the first charge—the Corporation's loan or the bank's loan—and what will be the position of the guarantee of the Corporation to the bank?

It is clearly stated that sometimes the concerns which have already mortgaged their assets to the Corporation are unable to offer suitable security to the banks for accommodation and so the banks will not accommodate them unless there is a proper security. Because already the property or the assets are mortgaged to the Corporation and that also because a loan has been taken, the Corporation is standing as a guarantor. That means that the Corporation, in case a compay is not in a position to pay to the bank, will make the payment.

Then, the Corporation will also give a guarantee in case of purchase of capital goods in the country. I do not know whether the Corporation will be acting simply with a view to provide complete finance for the private sector. Firstly, there is a loan that is granted; secondly, there is already a guarantee for the foreign exchange for the purchase of capital goods from a foreign country; now there is a guarantee for the banks' advances as also for purchase of capital goods inside the country. This means that if a company starts without proper capital, the Industrial Finance Corporation will provide all the money required and stand guarantee to see that the company thrives and pays dividends to its shareholders. I do not know whether this was the purpose for which the Industrial Finance Corporation was established. The way things are being amended now, I would at least like to know from the hon. Minister that if all the finance is to be provided by the Industrial Finance Corporation directly or indirectly what part the private capital will play in that particular industry.

So far as the purchase of share is concerned, I welcome that provision. In that case the Corporation will also be entitled to take a share in the profits. But I do not agree that loans should be converted into shares. If a company has already taken a loan, that should not be converted into shares of that company. I would suggest, therefore, that as this is a major shift in the whole structure of the Industrial Finance Corporation, this matter requires thorough discussions and understanding. It should not be just discussed over here at this moment. It should be referred to a Joint Committee. After a thorough discussion about the future function of the Industrial Finance Corporation the Bill should again come before the House for its consideration.

As I have pointed out, as a result of this amendment, no doubt, the work of the Industrial Finace Corporation will increase but that will be to the detriment of the Corporation's interest because such a power which will be granted to the Corporation and which will be enjoyed by the various concerns will create complications about the realisation of the money and will result possibly in monetary loss to the Corporation.

The hon. Minister, while moving for the consideration of the Bill, has said that this practice is also followed in the United States. There the Finance Corporation also performs this function which is now contained in the amending Bill. But considering the present position and the role of the private capital and also the way in which the private sector is functioning, I would request the hon. Minister to consider whether such a function should be given to the Industrial Finance Corporation at this stage. I

[Shri Prabhat Kar]

would, therefore, suggest that this Bill be sent to the Joint Committee for their consideration.

Along with that I would just point out one or two things in the Bill itself. If at all this power of giving guarantees is to be granted, there must be certain hard and fast rules which should be laid down.

There must be something prescribed definitely under which circumstances guarantee will be made to the banks. It should not be left to the Corporation. Parliament must know exactly under what circumstances the guarantee will be given. I do not know why under clause 6, this new previso is needed to section 24. It has been stated that there is no need for the Government to further guarantee because already the Government guarantee stands and it does the same function. It is said:

> "Provided that the aforesaid limit of one crore of rupees may be exceeded with the prior approval of the Central Government."

I do not know which difficulty the Corporation is facing at present without this proviso. The proviso says:

> "Provided that the aforesaid limit of one crore of rupees shall not apply to any such arrangement when any loans, advances or debentures are, on the recommendation of the Corporation, guaranteed by the Central Government as to the repayment of the principal and the payment of the interest."

Why is this proviso at all necessary? What are the difficulties faced by the Corporation in the absence of such a provision? As I have said, I am completely against the granting of this function to the Corporation to act as the shroff of the private sector. This type of power should not be granted. As I have said, this completely changes the whole character of the Industrial Finance Corporation when it was established. I would suggest that the Bill be sent to a Joint Committee. I move.

Mr. Speaker: Motion moved:

> "That the Bill be referred to a Joint Committee of the Houses consisting of 30 members; 20 from this House, namely:—
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> Seth Achal Singh, Shri Premji R. Assar, Shri S. M. Banerjee, Shri Hem Barua, Shri Naushir Bharucha, Shri Bibhuti Bhushan Das Gupta, H. H. Maharaja Pratap Keshari Deo, Shri V. Eacharam, Shri M. Elias, Shri Bhaurao Krishnarao Gaikwad, Shri Aurobindo Ghosal, Shri Indrajit Gupta, Muhammed Khuda Bukhsh, K. P. Kuttikrishnan Nair, Shri C. R. Narasimhan, Shri Raghunath Singh, Shri E. V. K. Sampath, Shri Braj Raj Singh, Shri Shraddhakar Supakar, and the mover;
>
> and 10 members from Rajya Sabha;
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> that in order to constitute a sitting of the Joint Committee the quorum shall be one-third of the total number of members of the Joint Committee;
>
> that the Committee shall make a report to this House by the first day of the next session;
>
> that in other respects the Rules of Procedure of this House relating to Parliamentary Committees will apply with such variations and modifications as the Speaker may make; and
>
> that this House recommends to Rajya Sabha that Rajya Sabha do joint the said Joint Committee and communicate to this House the names of members to be appointed by Rajya Sabha to the Joint committee."

Who are all the Members who wish to participate? There are eight hon. Members. I will allow fifteen minutes to each. Only two hours have been allotted for all the stages of the Bill.

Shri Warior (Trichur): For such an important Bill, I do not know how the Business Advisory Committee was pleased to give only two hours.

Shri Naushir Bharucha (East Khandesh): His Party leader was there.

Mr. Speaker: Hereafter, hon. Members must abide by the decision of their party or they must themselves come in. When the report is placed on the Table of the House, they must make a suggestion. He says at the last minute, I do not know how they have allotted two hours. The hon. Member must make himself the leader of his party. Such expressions ought not to be used. There are three opportunities. No. 1: the Leaders of various groups or their representatives are there. Then, the report is placed on the Table of the House. It is open to an hon. Member to say, this is not enough. He just now comes up and says, 'I do not know'. The hon. Member does not know how things happen in this House. At 3 o'clock I have to start another item of business. I do not want such observations to be made. The world outside may feel that we are doing everything without consulting the House and the Members of the House. It never ought to be made. I am prepared to allow some time. At 3 o'clock we start the other item.

Shri N. R. Muniswamy (Vellore): The hon. Minister may reply at 3 o'clock.

Mr. Speaker: We have got the other Motion at 3 o'clock.

Shri Naushir Bharucha: It may be taken the next day.

Mr. Speaker: Already so much time has been taken. We shall finish at Three. We started at 12·30. I will give half an hour more.

Shri Morarka (Jhunjhunu): Eight Members who are to take part will take two hours even of 15 minutes are given to each. It would be 3 o'clock. Where would be the time for the hon. Minister to reply?

Some Hon. Members: The hon. Minister can reply tomorrow.

Mr. Speaker: Yes. How long would the clauses take?

Some Hon. Members: They won't take much time.

Shri Warior: I wish to make only a few observations. In moving this amendment to send this Bill to a Joint Committee, my hon. friend Shri Prabhat Kar has explained the necessity for that. The original Act came in 1948. After the original Act has been passed, the hon. Minister was pleased to say that there were certain amendments. There were, of course, seven Amending Bills. Out of the seven, four amending Bills had been passed before 1951. One was in 1952 and the remaining two were in 1955 and 1957. It is clearly known from this that these amending Bills had come much before the country had accepted the new pattern of economy. The country had accepted planned economy in 1952 only. The Industrial Finance Corporation as considered in 1948 is a pre-dated one. The character of the Industrial Finance Corporation ought to change. Naturally, the change comes now in the form of the Amending Bill. Is it in accordance with planned economy principle which we have accepted and tried in two Five Year Plans or is it militating against this is a very pertinent question which we should consider in this connection.

The Corporation, it is true, has made good progress and this year's report shows that the Corporation has invested Rs. 17 crores in loans, etc., and made substantial profits also. Also, the Corporation had repaid the loan taken from the Government earlier to meet certain guaranteed dividends, which the Corporation had to pay. That is also true, although

[Shri Warior]

half of the amount is still outstanding.

At the same time, the working of the Corporation will also show that there were certain instances, at least a few instances in which the loanees were not able to fulfil the obligations and the Corporation had to take over the physical assets of those concerns. The Corporation, in its report, is satisfied that those assets will cover the liabilities. But, those assets are to be taken over by the Corporation and kept in the hands of the Corporation until they are purchased by somebody else or auctioned in one way or the other and the loans realised.

12. 58 hrs.

[DR. SUSHILA NAYAR *in the Chair*]

There is another great aspect that this Corporation has got an Advisory body. In the report, we will find that the Advisory body members—none of them—have any direct connection with institutions which had availed of the loans. At the same time, you will find that some of them have already shares in these concerns; some of them may not have shares, but indirect connection with the same concerns. This is also an anomalous position now. Because, these advisers are all magnates in different fields of industry, sugar industry, chemical industry, textile industry and like that. It will also show one aspect that these industrialists who have invested some amount or not invested some amount, have only interest in running this Corporation. But really, the interests involved are those of the millions of workers and consumers, but not a single representative of the organised working class is there on the board of directors. I do not mind if even a representative of the INTUC is taken. But board consists of Government officials and some others outside. I cannot understand why this board of directors should be advised only by the industrial magnates of this country now. In 1948 the atmosphere was quite different, the set-up was quite different, the whole concept of the economy was different, but that has completely changed now. So, commensurate with the changes that have taken place in our country, I think the constitution of the advisory body and the board of directors should also change, but no such amendment is brought forward.

13 hrs.

Last year the Corporation invested about Rs. 17½ crores. While taking over all these new liabilities, has the Government at least made a pre-assessment of how much money is involved? This Corporation is run with 99 per cent Government money in some way or other. It may not be direct, in a few cases it may be indirect, like shares taken by corporate bodies. Even among the insurrance companies, I find from the report that more than 90 per cent of the investment is that of the LIC, and the Government stands guarantee for the LIC. There is no gainsaying the fact that it is a Government concern, it is as good as a Government concern.

Huge loans are given to this Corporation, even this year. It is claimed that the Corporation has refunded the amount loaned by the Government to defray the expenses or dividend payments, but at the same time the Corporation is getting crores from the Government. And we cannot allow a single pie of the taxpayer to be invested in a wrong fashion.

From this report we find where the money is going. I can understand the private sector claiming some help and loan from Government. This Corporation is only an agency of the Government. Instead of running it departmentally, it is entrusted to this autonomous Corporation, and the Corporation runs it on behalf of the Government. That is the position. It is as good as Government money, taxpayers' money. In the new set-up which we are visualising for the development of the economy of the country, we think more and more attention should be paid to basic industries, but actually you will find from the report of the Corporation that the highest investment is in the sugar industry. Loans approved by the Corporation in the case of food manufacturing industries up to 30-6-60 aggregated Rs. 25.72 crores, of which sugar accounts for Rs. 25·62 crores. That is the highest figure. But important industries like the chemical and engineering industries are being starved. These industries are young compared to the textile industry and require help. I do not know if our textile industry cannot stand on its own legs after 100 years of protection, after our swadeshi movement, after all that we have suffered for its sake from 1920 onwards when so many of our people, so many of us sacrificed for it. We claim that we donated our blood for the protection of the textile industry in particular, because we had been in the movement in 1920. But even now the textile industry claims sustenance from the Government or the Corporation. I cannot understand how the textile industry can develop in our country at this rate. After giving all this protection, tariff protection, cotton cess protection, anti-labour laws protection, 25 to 30 mills have been closed down in our country.

What is the position of the sugar industry? By one stroke of the pen knowingly or unknowingly—I do not want to impute any motives—of the Food Ministry, the sugar industry has got crores. Discussions had come up here. That industry is taking the majority of the loans from this Corporation. So, in this context, I could understand, appreciate and also support it if it were the view of the Government and the Corporation that this amount should go to the development of the basic industries.

The Corporation has now got subsidiary offices in the States also, but from the analysis given here of the States which are the recipients of these loans, we find a great disparity. Why this disparity? Is it because applications are not forthcoming to the Corporation from the backward States? Is it because, apart from the technical and legal questions, there are no industries at all in some of these States? In that case, I can understand if loans are given to these States in order to establish new industries. I can support that.

Shri Naushir Bharucha: Such as Kerala.

Shri Warior: Kerala, Orissa and many more.

I do not wish to waste my time or the time of this august House by quoting facts and figures from this report placed on the Table of the House. Actually, Orissa, Kerala and some parts of Maharashtra have not got, but Bombay has got. It is good that Bombay, got, because it can help the rural parts of Maharashtra. Now Gujerat is getting. The loans are going to places where there are industries. Industries are growing vertically, not horizontally, that is my contention. Yesterday I had occasion to initiate a half-hour discussion here. The whole question is this. Because there are facilities in Bombay, because there is the Sasoon Dock in Bombay, because there are big buildings, because there is an airport, because there is railway connection, Bombay alone should get the loans. We cannot understand that. In that case, how can regional disparity be removed, and how can new industrial enterprises come up in the backward regions of this country, regions which have remained backward for centuries? I do not envy Bombay, Calcutta and the big cities, I am not jealous of them, but they have developed to such an extent that they themselves cannot bear the development.

So, I would say that the entire policy, set-up and direction of this

[Shri Warior]

Corporation must undergo a change. The amendments proposed do not envisage such a change, and so I suggest that the Bill be referred to a Joint Committee. I am sure the wisdom of the Joint Committee will give us a better Bill than this.

Shrimati Tarkeshwari Sinha: Before you call the next speaker, I have to make a submission. The Speaker decided that I could reply to the discussion tomorrow, but then we have to send the Bill to the Rajya Sabha. The Rajya Sabha is meeting only on the 23rd. So, the Members there might raise objection that sufficient notice has not been given to them. So, if you can extend the time today by half an hour or so, we can finish this Bill and send it tomorrow to the Rajya Sabha, so that they get 24 hours notice of the Bill.

Mr. Chairman: Let us see how the debate proceeds, and then we shall decide about it.

Shrimati Tarkeshwari Sinha: The Speaker said that at 3 o'Clock there would be another motion.

Mr. Chairman: Yes. I shall bear in mind what the hon. Minister has said.

Shri Morarka: I welcome this Bill for two main reasons. Firstly, it widens the scope of the present Act, and secondly, it gives a certain amount of flexibility to the Corporation in its operations. Before I come to the actual provisions of this Bill, since the hon. Member who has preceded me has given certain facts and figures from the annual report, I consider it my duty to give some more facts and figures, which, I am sure, if placed before the House, would substantially change the picture which he has tried to paint.

This corporation has till today sanctioned loans to the tune of a little more than Rs. 84 crores, and out of these Rs. 84 crores loans, about Rs. 20 crores are given to the co-operative societies; most of them, of course, have gone to the sugar industry. Then again,out of these Rs. 84 crores, the actual loans disbursed are more than Rs. 50 crores, but the outstandings are only Rs. 39 crores, because the remaining loans are repaid. The total interest earned by this corporation during its short life is Rs. 9·21 crores. Out of these Rs. 9.21 crores, the actual amount received is Rs. 9·1 crores. This means that the interest in default or in arrears is only Rs. 11 lakhs.

Similarly, so far as the repayment of the loans is concerned, the total repayments due are Rs. 7.21 crores, and the amount actually repaid is Rs. 6·61 crores, leaving a balance of only Rs. 51 lakhs. Out of these Rs. 51 lakhs, time has been given by mutual arrangement for Rs. 21 lakhs, and, therefore, a sum of only Rs. 30 lakhs is left, to be realised for which efforts are being made.

The gross income of this corporation, when it started in the year 1947, was Rs. 5.73 lakhs. In the last year, for which we have got the report before us, this figure increased from Rs. 5 lakhs to Rs. 250 lakhs. And Government which were required to subsidise the payment of interest etc. every year gave Rs. 53.45 lakhs, towards that, has been repaid actually during the last few years to the extent of more than Rs. 25 lakhs, leaving a balance of Rs. 28 lakhs still to be repaid.

If you judge the performance of this corporation from all these points of view, I would submit that this is one Government corporation which has shown consistently good and encouraging results year after year.

There is another point also on which I wish to congratulate the Government and through the Government, the management of this corporation, and that is concerning parliamentary control or parliamentary accountability in regard to the affairs of this corporation. This corporation has its annual accounts ending in the month of June, and we have got here a report which was submitted to its shareholders on 2nd August. You would appreciate that with all the various activities of this corporation, it was possible for this corporation to complete its accounts, get them audited and present them to the shareholders almost within a month. This, I think, is a remarkable achievement, and the other Government corporations would do well to take some hint or some lessons from this corporation.

Shri Naushir Bharucha: This is not an industrial corporation but this is only a finance corporation, and, therefore, it can do it.

Shri Morarka: We have got many other Government corporations too which are not industrial corporations, and their reports are presented only after a delay of more than eight or ten or twelve months and so on. For instance, we have got the LIC, the State Bank of India, the NIDC and many others, which are mostly financial corporations. I am only saying that here is a point which deserves encouragement and must be recognised by this House which is naturally very anxious about parliamentary control over Government Corporations. We have often made complaints that the reports are not presented in time. My only point here is that here is a corporation which has been able to finalise its accounts, get them audited and present the report in about a month's time. I think that is a remarkable achievement.

The second point that I want to mention is about the contents of this report. Very often, the House has made complaints that the reports of these autonomous corporations are very sketchy and they do not give full and complete information. Here again, I submit that this is one report which could well be copied by other corporations. It gives such a lot of information, so complete in details that hon. Members here or as well as the public outside can liberally make use of the information, because it is a full disclosure, and on that basis they can criticise or support the corporation as they like.

Then I wish to point out that this corporation has given so far loans to 21 industries, and the total amount, as I said earlier, comes to a little more than Rs. 84 crores. Out of these Rs. 84 crores to 21 industries, five industries account for more than Rs. 60 crores. Of these five industries, the sugar industry which is the main claimant has got loans to the tune of Rs. 25.62 crores, and out of these Rs. 25.62 crores, about Rs. 20 crores have gone to the co-operative societies. The other main industries which have been helped by this corporation are as follows: Chemical industries: Rs. 9.38 crores; Textiles: Rs. 9.62 crores; Paper Industry: Rs. 9.74 crores, and the cement industry Rs. 6.17 crores, making a total of Rs. 60.52 crores.

In this connection, I would submit that the criticism of the hon. Member who has just preceded me and who said that this corporation gives loans mostly to the traditional industries which are already well established is not very well founded, because these are loans which were mostly sanctioned in the previous years. So far as the co-operative sugar societies are concerned, no doubt, loans are being given to them even now, but it is the policy of Government to encourage such co-operative societies. Otherwise, during the last year, the loans given to the textile industry, to the cement industry or to these other so-called traditional or established industries were very negligible.

Coming to the provisions of the Bill, there is already a provision in the Act, permitting the corporation to guarantee the loans floated in the public market by any industrial concern.

[Shri Morarka]

I have gone through the balance-sheet carefully, but I could not find out whether this corporation has actually guaranteed any such loan, because at least I do not know of any industrial concerns which can float a loan in the public market. The Government, of India or the State Governments or semi-Government bodies like municipalities etc. do it, but, for a private concern, to float a loan in the market is very difficult. So, even though this provision was there in the Act, it could not actually be made use of. And if one stretches this provision, the corporation could under the same provision have guaranteed even the loans borrowed from the bank by the industrial enterprises. But, instead of doing that, Government have come forward and have asked for special permission from the House to guarantee such loans. Once we accept the principle of guaranteeing the loans borrowed by the industrial enterprises, I see no harm in guaranteeing the loans borrowed from the commercial banks as well. If the loans can be guaranteed when they are borrowed from the public, they can all the more be guaranteed if they are borrowed from the commercial banks. So, the fear that Shri Prabhat Kar has in his mind, namely that here is a corporation which would find the equity capital, and loan capital and also guarantee the loans and deferred payments etc. is not very well founded. The reason is this. Whether the Corporation purchases the shares or under-writes the shares or guarantees a loan or actually sanctions a loan, there is a basic principle and criterion which it follows. It is that it does not advance more than 50 per cent of the value of the fixed assets of the borrowing company. It has very rigidly followed this provision of the directive from Government, namely, that except in special and exceptional cases, it does not advance more than 50 per cent of the value of fixed assets of one company. I am going to ask the Deputy Minister to consider whether it is not desirable to relax this directive and permit in suitable cases, particularly in cases of companies or concerns of medium size to relax this position and advance or investment to the tune of 65 per cent, 70 per cent or even 75 per cent. In small-scale industries, the provision is now to give loans even upto 95 per cent or in some cases even more percentage of the total assets. In the case of very big industries which require crores of rupees, if the provision is there about 50 per cent, it may be all right, because big persons can find capital. But the time has come when we must develop this concept of medium industries also. What is medium industry is again a matter of definition and understanding, but I believe the Planning Commission has some vague definition of a medium industry. At least in the case of such medium industries, which according to the Planning Commission come within this definition, I think the provision of 50 per cent must be relaxed. It does not require any amendment of the Act; it only requires a direction from Government. If they can do that, I think it would help the Corporation to function in a more flexible manner.

Another amendment sought to be made is to permit the Corporation to directly subscribe to the shares of any new company. Till now we permitted the Corporation to under-write the shares and till June 1960, it under-wrote shares worth Rs. 1.87 crores. Out of this, the Corporation purchased or was obliged to purchase under the agreement shares worth Rs. 67.03 lakhs. That means, as it is, the Corporation can, and in fact, does, get the shares under the under-writing agreements. It is only a technical position that instead of under-writing and getting the under-writing commission also, it straightway subscribes as purchaser of the shares. While it is desirable and while the argument of the hon. Deputy Minister is quite impressive that the Corporation should share in the benefits of the industries, this argument cuts both ways. Once you purchase the shares, you are tying your fortunes with that of the concern. If it prospers, you benefit and share in that prosperity; if by any miscalculation, the company fails, to that extent you also suffer. But if you are only a lender and if you only advance money, your loans are comparatively more secure and to that extent your position is better.

Another suggestion is this. At present, loans are given only to public companies. But under an amendment of the Indian Companies Act made recently, we have imposed more obligations on the private companies and some of them would be deemed to be public companies now. I submit for the consideration of the hon. Deputy Minister whether it is not possible for the Corporation to extend its activities even to these private companies and whether any harm would be done or could be done by advancing loans to them also.

I venture to make one more suggestion. The Corporation should also undertake a new activity, that is, guaranteeing loans to foreign banks which advance these loans in foreign countries for the purchase of capital equipment for the industries to be established in India. There is no such provision here. If the Corporation can start this, by guaranteeing loans which foreign banks advance to us not in India but in the foreign countries t enable us to make payment for the machinery and equipment we buy there, and if the money is repayable according to the instalments that the Government sanction, either in the foreign currency or in Indian currency I think it would help many of the industries much more, and that in a way would help reduce the necessity of guaranteeing the deferred term payments.

Madam, I think one can say honestly that this Corporation has done very well during the last 12-13 years, particularly after the debate about it in this hon. House during the First Lok Sabha. I think it has shown remarkable progress and the Government as well as its management deserve congratulations.

I wish to conclude with one point which though comparatively small, is yet a point. From the profit and loss account, I find that the salary of the General Manager of the Corporation is higher than that of the Chairman. It is perhaps quite all right to have the salary of a Secretary higher than that of a Minister; in politics, it may be all right. But when you are running a Corporation on business principles, strictly on those considerations there is no justification why the salary of the Chairman, who is also full-time, should be less than that of the person who is under him.

Shri Ranga (Tenali): He happens to be a pensioner getting his pension in addition to the salary.

Shri Morarka: I am saying this for the consideration of Government. I am not saying this with any particular person in view. If Shri Ranga has an explanation, it is all right. But when one reads the profit and loss account, it does strike one why the Chairman should be paid less than the General Manager. The Chairman's salary must be a consolidated one and must be more them those under him.

Mr. Chairman: I wish to make a request to hon. Members not to ask me to extend the time-limit of their speeches by one minute or two minutes, because already I find that three minutes more have been taken in this case. As the time is very limited and many hon. Members have to be accommodated, I do request hon. Members to please try to begin winding up at the first bell and stop after the second bell within half a minute or at the most one minue.

Shri Ranga: I hope to be as brief as possible. I find myself in general agreement with the remarks and suggestions made by my hon. friend, Shri Morarka, on this occasion. If I may

[Shri Ranga]

say so, it was an excellent speech, and very educative also.

I am anxious to urge two or three points. One is that so much power is given to the Central Government by this Bill in regard to so many items mentioned here. I would like the Union Government to see that it uses this power in such an impartial manner—non-political manner—that no opportunity would be given for any industrial concern or its management to have to complain that because it does not belong to such and such political party it is being discriminated against. I do not wish to make any charges now, because that is not my concern. I am only giving this warning and also this suggestion, and trust that the Government would so use its power as not to give any room at all for such complaints.

Secondly, I agree with the point made by my hon. friend to my right when he said that this Corporation should be expected to give special preference to the development of industries located in the hitherto underdeveloped areas, and also such industries which really deserve special development and which are not like the textile industry, which can claim to have its own resources and which has established its reputation for yielding very good profits. I am glad that as a result of the activities of this Corporation two great industries have come to be helped specially; one is the sugar industry on the co-operative side and the other, the cement industry. But care will have to be taken to see that they do not give assistance to such industries as are likely to run into over-production and, therefore, oblige the Government to permit exports at prices which would be less than the cost price in our own country.

Having said that, I would like Government to see that special preference is given to medium-scale and small-scale industries. Now that so many of these industrial estates are coming to be organised in different States, there is no fear of those industries not having either internal or external economies, and, therefore, there would be no risk in advancing moneys to those industries and industrialists. I am very glad these two or three amendments are sought to be made now which would certainly extend the scope of the activities of this Corporation.

I am glad that whatever may be advanced by the banks would also come to be guaranteed. Also what ever accommodation may be given by deferred payments and so on by foreign concerns to our industrial concerns would come to be guaranteed. These two are essential needs of our industry and I am glad this Bill seeks to provide for these two very important needs.

But, I am a little doubtful, as my hon. friend Shri Morarka had been, about the provision made here allowing the Corporation to purchase the shares and stocks of those concerns which seek its accommodation. I would like further thought to be given to this matter. Although power is being taken by Government and through Government by the Corporation, in this direction, I think, after careful consideration they would be able to see that it may not be an advisable thing if they become partners in these various industrial concerns, in their fortunes as well as their misfortunes. There is, of course strength in what the Deputy Minister has said that the Corporation should be enabled to take a share in their profits. But there is no guarantee that they would always be making profits; and even if they were to make profits, it would be much bettter to leave the choice to the managements concerned whether they would like Government to convert the loans or investments into shares. As you all know, the managements have their right to say whether anybody is acceptable as a shareholder or not. I do not see any reason why in this case any exception should be made.

In conclusion, I would like the Corporation to continue its good work and to carry on its work in such a manner that whenever industrialists seek its accommodation it would not look at the request only with the eyes fixed on the political character of the Government of the day but, surely, from the point of view of the suitability, the profitability and also the advisability of developing that particular industry and to that extent and in that manner.

Shri Somani (Dausa): Madam Chairman, I would, at the outset, generally like to welcome the provisions of this Bill, except one provision which gives the Corporation the option to convert the loan into shares about which I have got certain misgivings and to which I would come later.

I whole-heartedly associate myself with the tribute that my hon. friend Shri Morarka paid to the efficiency of the working of this Corporation. I myself think that this is one of the few government Corporations where every effort is made and where no red-tape is allowed to come in the way of the prompt disposal of the proposals that come up before the Corporation.

Coming to certain points raised by certain hon. Members, about the inadequacy of the loan facilities given by the Corporation for the development of under-developed areas, I would also like to say something. The real position is—and I think all hon. Members will agree—that it is after all not the duty of the Corporation to canvass for loans for particular industries or for particular areas. It is left to the individual applicants either from basic industries or from under-developed areas to come and approach the Corporation for loan assistance. And, if any hon. Member can point out any instance where the Corporation has not done justice or has not dealt with any case from the under-developed areas promptly, then, there might be some justification for making any complaints. So far as my personal experience goes, I am aware—and I come from Rajasthan—of the sincere efforts made by the Chairman of the Corporation to ensure that the industries from Rajasthan, for the development of that backward area, get the maximum benefit possible, from the resources of the Corporation.

Shri D. C. Sharma: (Gurdaspur): Is Rajasthan a backward area?

Shri Somani: I am aware that the Chairman of the Corporation wrote a D.O. letter to the Chief Minister of Rajasthan inviting suggestions that he could make to make the Corporation more useful to the development of the industrial areas of Rajasthan. From that point of view, I feel that it is for the under-developed areas themselves to see that the necessary applications from those areas are submitted to the Corporation. If the Corporation is not approached with such proposals I do not think we can very well take any objection or complain in any way about the inadequacy of loan facilities given to the development of underdeveloped areas.

Coming to the provisions, I feel that most of them are steps in the right direction and will extend the scope of the Corporation which is already doing much useful work for accelerating the pace of industrialisation in this country. I have no doubt that with the further widening of the scope under this Bill, the Corporation will be able to play a still wider and more significant role in the Third Five Year Plan.

So far as the provision allowing the Corporation to guarantee the repayment of credits for machineries of indigenous manufacturers is concerned, I think, it is really a very welcome move which will enable the various industries in the country to avail themselves of this facility so that they

[Shri Somani]

can make more and more purchases from the indigenous machinery manufacturers.

Similarly, the clause which enables the Corporation to guarantee any loans which any industrial project may be able to raise from such foreign financial institutions like the Export Import Bank of the United States is also really very welcome. It will enable the various industries in this country to avail themselves of the services of the Corporation for guaranteeing the repayment of loans which they may be able to secure from foreign financial institutions. This should help in making available plant and machinery to the industries at a time when we are so much short of foreign exchange.

There is one clause in this Bill, to which the hon. Deputy Finance Minister referred, relating to the option which is given to the Corporation to convert its loans into stocks and shares at a later stage, and I think a little more clarification is necessary about that provision. The hon. Deputy Finance Minister said that some such procedure is followed by the International Finance Corporation. I think I should draw her attention to the fact that it is this procedure, it is this insistence on the option to convert loans into stocks at a later stage, which has come in the way of several Indian business houses availing themselves of the facilities afforded by the International Finance Corporation.

As, Madam, you are aware, our country is also a member of the International Finance Corporation. So far as I know, during the long period since this Corporation has come into existence only two loan applications have been sanctioned so far as this country is concerned, and even out of these two applications one has not been availed of. Therefore, only in a solitary instance of a very small amount the assistance from the International Finance Corporation has been availed of, and at a time when industrial business houses are searching every financial quarter to secure accommodation for foreign exchange you can very well realise the restrictive policy of the International Finance Corporation which has come in the way of several business houses taking advantage of the facilities provided by the International Finance Corporation. It is simply because of the fact that they insist on their option to convert their loans into equity capital at a later stage.

I would, therefore, like to seek a clarification from the hon. Deputy Minister. It should not in the ordinary course be a policy of the Industrial Finance Corporation in future to examine each and every proposal on the basis of this procedure under which they will ask the applicant to give the corporation the right to convert the loan of the corporation into equity capital at a later stage. This will create a lot of complications. Now that the clause has been provided in the Bill, I would only like to appeal that this clause should be utilised, this provision for conversion rights of loans into equity capital should be exercised only in very rare cases and very suitable cases where there may be certain special factors governing those applications, and in the ordinary course in the usual manner the corporation should continue to give and to make available these loan facilities on the basis of a fixed interest which has really proved very attractive and very useful to the industrial development of this country.

Similarly, I feel that this provision to do away with the guarantee by the Government is really a step in the right direction. I do not think it is at all necessary. After all, it is on the merits of each case that the corporation gives loans and it takes proper care from the point of view of security to see that whatever loans they give to any corporation or any company are adequately secured and no further additional guarantee from the government is necessary. Indeed, Madam, this guarantee clause has come in the way of business houses availing the loans promptly because in certain cases it has resulted in long delays. Since the guarantee clouse is not quite necessary, I think this deletion of the guarantee close is a step in the right direction.

I may also here make a reference to the clause which provides that in all cases where loans of Rs. 1 crore and above have to be given the approval of Government has to be sought. I have no objection to the Government's scrutinising the cases. But I would like to draw the attention of the hon. Minister to the remarks that have been made by the Chairman of the Corporation in his speech at the last meeting that almost 50 per cent of the proposals could not be finally sanctioned because they were pending for approval with the Ministry. What I would like to submit is, it is much more desirable that whenever any such proposal for loan assistance of Rs. 1 crore and over is received it should first be cleared by the Government so that the lengthy process of screening by the Corporation and sanctioning the loan will not become a complete waste if later on the loan has to be rejected by the Government. It will not then become a waste of time and energy on the part of both the applicant company and the corporation. Therefore, in cases where the Government approval has to be sought it is very well desirable that the clearance about a particular proposal involving a loan of one crore and above should be given by the Finance Ministry in the first instance so that no unnecessary delay will be caused once the final sanction is given by the corporation. We find from the Chairman's speech that loans involving Rs. 9 crores, although they have been sanctioned by the corporation, could not be paid to the companies concerned because according to the requirements of the law the Government has to approve those loans as they involve sums amounting to Rs. 1 crores and over. Therefore, for the prompt disposal of cases, I suggest that it should be the policy of the Government that all such proposals should be first sent to the Finance Ministry and only after a clearance is given by them that the Corporation should be asked to deal with those applications in their usual manner.

This is all, Madam, that I want to say about the clauses. I definitely feel that the Corporation has really been doing very impressive and very effective work in the field of accelerating the pace of industrialisation in the country, and the scope that is being widened under this Bill will enable it to function more effectively and more extensively in certain fields. At a time when there is an ambitious programme of industrialisation before us, I welcome this Bill which will enable the Corporation to play a still more extensive role.

In the end, I would also like to support the proposal made by my hon. friend Shri Morarka to enable the Corporation to be more lenient so far as the loan proposals from the medium industries are concerned. This rigid insistence on the conversion of 50 per cent loans as assets may really retard the growth of medium scale industries. When the small scale industries are receiving a liberal assistance—and rightly so—it is desirable that there should be some relaxation so far as the requirements of the medium scale industries are concerned.

Shri N. R. Muniswamy: Madam Chairman, at the outset. I have to oppose the motion for referring this Bill to a Select Committee, because it will only result in loss of time which can profitably be utilised towards the industrialisation of our country by availing of the facilities that will be available under the provisions of this Bill.

As regards the other aspects of the Bill, while appreciating the work done by the corporation towards accelerating the pace of industrialisation in this country, the experience gained by the corporation was such that the improvement sought for by one particular clause in this Bill is not going to help a great deal at least with respect to one aspect—subscribing to the stock and shares of any industrial concern.

Originally, Madam, the corporation could not participate in the prosperity

[Shri N. R. Muniswamy]

or in the adversity of any concern. Now that the corporation wants to have some say in the real management, in the real administration, by taking equity shares directly, I am not very happy about it for the reason that the corporation is now changing its entity into that of a commercial concern. They are to discharge two roles now: the role of lending money and at the same time the role of being a borrower. Therefore, they may not be able to exercise a strict control over the concerns if the corporation happen to be shareholders in the concerns. They will realise the difficulties and responsibilities of the concern, and the concern may not be supervised in a strict manner in the matter of the recovery of loans and also the guaranteeing of loans in respect of the money they borrow from the indigenous manufacturers for the purpose of capital goods. The corporation take money and also guarantee the money that they take from other institutions abroad. I for one am opposed to this principle. If they are to be the shareholders of a concern, then, it is against all canons of banking and all canons of corporation laws. Initially, when this corporation was formed, we thought that the enactment was meant for financing the deserving concerns. But now, if the corporation takes a share in the administration of the concerns, it is some thing like an inroad into the autonomy of the concerns.

Sometime ago, when this question was mooted at other places, I raised this same objection with the Finance Minister in one of the meetings of the Consultative Committee. He himself was amazed to see how it would be possible to do such a thing. He asked the officials whether it was a fact. Though they could not say anything definite, they said that there was such a move. The Minister was opposed to it. But I do not know how he has given consent to such a measure being introduced.

The dual role which the corporation will be asked to perform would create far-reaching repercussions and difficulties in the main administration of the concerns. This is something like a bania's business. Not only do they lend money but at the same time they take a share in the concern. Therefore, they are to do two functions. They must recover the money advanced to the concerns but yet they themselves are shareholders in the concerns. So, they can always share the responsibility in the adversity as well as the prosperity of the concerns. When money is advanced, we have to insist upon the money being recovered or repaid in time. But now, when the corporation is itself a shareholder in a particular concern, it knows the difficulties and other responsibilities of the concern and it may even think of liquidating the concern or writing off the accounts or the loans, because the corporation has seen the difficulties of the concern. Therefore, I for one find no reason why this sort of dual functioning should be allowed.

The corporation as such must preserve its entity as a financial concern and not be shareholders in any concern. If it becomes a shareholder in any concern, it would mean that the corporation is liquidating its own entity and submerging itself with the management of the concern in which it is a shareholder. So, this aspect has to be very carefully considered by the Government. In fact, even the corporation may later find itself in difficulties and then surely the Government might come forward with an amendment to delete this particular provision. I say this with a certain amount of responsibility because the corporation has been showing a large amount of profit by guaranteeing loans and subscribing to debentures and so on; I quite understand it, but it should not go in for a share in any concern. It can get a commission and according to one of the clauses in the Bill, it is entitled to a commission. Let them enhance the rate of commission. They can get it doubled if they want. But they should never be equity shareholders.

My hon. friend who spoke just now was not in favour of this aspect of the measure, and he pointed out how the corporation would come into difficulties by joining the fold of commercial concerns. The corporation may in course of time understand the difficulties of the concerns and those concerns may bring round the corporation to write off the loans, and it may all be done without the knowledge of the corporation also, or, things may go beyond the control of the corporation. Therefore, this is opposed really to all canons of banking institutions.

The other aspect which I wanted to mention is with regard to certain doubts which may arise out of this Bill. The corporation not only guarantees loans but also deferred payments, either in respect of foreign countries or our own country. At the same time, the Government also, in a way, guarantees the payments, over and above the guarantee given by the corporation. I am not able to understand to what extent the corporation guarantees the amounts and to what extent the Government comes in for guaranteeing the amounts, in the overall picture. I would request the hon. Minister to throw some light on this aspect of the matter. What is the amount so far guaranteed by the corporatiton, and to what extent the Government. also would guarantee. There are two guarantees It is really confusing. Why should there be two guarantees—one by the Government and the other by the corporation? In case the amount exceeds Rs. 1 crores, Government have to permit such a guarantee being extended.

Shri Jhunjhunwala (Bhagalpur): With permission.

Shri N. R. Muniswamy: It has been modified into one of approval now. Whatever it is.—whether it is consent or approval—there is the guarantee of the Government also. There is also an independent guarantee by the corporation, at the same time. Why should there be two types of guarantees? I cannot understand it, unless it be that there is something behind all this. Unless the hon. Minister throws some light and make the hon. Members understand what it is, I am not in a position to support this provision.

To avoid all these difficulties, I only wish that the Government appoints a statutory body. The functions of the statutory body would be to see how far the corporation's functions are in consonance with the principles of the Act. This statutory body should be an independent body. It will be something like a super-body, covering the guarantees extended by the Government also. It will examine the position from time to time, and it will be of benefit not only to the corporation and to the Government but to the country as a whole. Such a statutory body would be more responsible to the House than this corporation, because this corporation is in a way a Government concern, since the Government owns 20 per cent of the share capital of the corporation. The balance is owned by the corporation. I would only suggest that a statutory body be thought of in this connection. I do not know how far the Government would be able to proceed in this direction and how far it would be possible to appoint a statutory body, when there is no sanction for the formation of such a body in this Bill. Unless probably they come with another amendment to have a statutory body to look into the corporation's functions, it would not be possible for us to appreciate the entire scheme of the corporation.

This corporation is not dealing with just a few lakhs or crores of rupees but with several crores of rupees, apart from getting huge monies from other countries also. It gets loans from foreign banks and that money is also to be guaranteed by the Government in respect of repayment. It is therefore not merely a banking concern but it is a big financial institution to help all concerns. It can be placed on a par with the World Bank. Therefore, since it occupies a very big position in the banking world, as a big banking institution, I should say that its responsibilities are greater than what one

[Shri N. R. Muniswamy]

imagines now. I know the chairman of the corporation has to discharge immense responsibilities not only in respect of the Members of this House and to the country but also to the Government. All the same, he must guard himself and the corporation from any lapse that might possibly come in or from any failure that might arise in the discharge of duties, not of his duties but of the duties of others. I therefore wish that instead of taking too much responsibility for the corporation, it is better that the corporation is left with minimum responsibility and discharge that responsibility to the entire satisfaction of the country. For this reason, it should not take any shares in any concerns, for that work would add to the responsibilities of the corporation. There should not be any addition to the responsibilities of the corporation; there should not be any more work than it could discharge now. I only wish that it eats less so that it can digest better, instead of eating more and finding it difficult to digest. Thus, for all these reasons, I submit that the corporation also must be reluctant to enter into activities that a business concern engages itself in. The corporation should not be shareholders in a concern.

I should like to make one more point and I shall have done. My hon. friend who spoke just before I rose, stated that good deal of time is being wasted when Government's approval is sought for loans exceeding Rs. 1 crore. I do not know the details, for, I am neither an industrialist nor a businessman and I do not know how business is conducted. But as a layman, I could mention this. Of course, I do not know how much time is spent by the corporation first, and then by the Government in giving their approval. The Government might not spend as much time as the corporation spends, but ultimately they may turn down the proposal which might cause delay and disappointment and belie the expectations of a concern, after a lot of time is spent over a loan application. I know industrialists who have asked for loans of Rs. 1 crore or Rs. 2 crores. It is a huge amount. People may not know the magnitude of the loan; they think it is only Rs. 1 crore. The figure may be one, but the content is something much more. So, I disagree with my hon. friend who wanted screening by Government. It is better that it is done by the Corporation, because the Corporation is there on the spot. Instead of asking for screening by the Government, he could have said, "They should not take a long time and it must be finished within the minimum time." If his suggestion is accepted, Government may remit it back for some more information and like that there will be delay. So, what he must insist upon is, it must be speedy, because we want rapid economic and industrial development of the country. So, they must be very quick in coming to conclusions and decisions. So, I do not want there should be any screening by Government; I want the *status quo* to be maintained.

14 hrs.

Since 1957 and even earlier, sometimes the Corporation used to lend money, the amount not being known to others. Sometimes they do things in such fashion. A certain minimum can be fixed, say, Rs. 50 lakhs or Rs. 1 crore and whenever they lend money to that extent, they must give publicity that the Corporation had given so much money to such and such person, so that the people may pursue and find out whether that particular concern, which is the beneficiary to the extent of the huge amount of Rs. 2 crores or Rs. 3 crores, is being managed properly. When it is found that there is even an iota of mismanagement, it should be brought to the notice of the Government. Considering the way things are being done, it is better that some check is put and there should be no secrecy when we deal with such huge sums of money. It must be given wide publicity in the papers that this Corporation has lent so much money to such and such person, so that the people may keep a watch, over and above the watch by the Corporation and the Central Government.

Mr. Chairman: It has been decided in consultation with the Speaker that the time for this Bill might be extended, so that the Bill is passed by 3.30 P.M. today. This means that the other motion will be taken up at 3.30 instead of at 3. I hope the House has no objection to this. I also request hon. Members to condense their speeches. Besides the eight who already stood up, two more have expressed their desire to speak. It will only be possible if some hon. Members take less time and follow Shri Ranga's example, who finished in 7 minutes.

Shri Rajendra Singh (Chapra): Mr. Chairman, these friends who are ordinarily critical about public enterprises have been found in this debate pouring praise on this Industrial Finance Corporation. This attitude is quite understandable. This IFC is in fact handling public money and it is being used for creating private fortunes. There may be some necessity for giving loans to industries, situated as we are in an under-developed stage, but nonetheless, considering the things as they are managed and the people who are favoured by this Corporation, it lends some anxiety in the minds of the people whether the Government in power seriously means to do what it professes.

My friend, Shri Prabhat Kar submitted that this amending Bill should be referred to a Joint Committee. I do not know how it would be received by the Minister in charge of the Bill, but I think that it is quite pertinent. Since 1952, a new complexion has been injected into the way we are looking at the development of our country. So, it is high time that this amending Bill was referred to a Joint Committee where it could have received the full attention of selected Members of this House. I hope Government will see to it and be reasonable in this matter, though I have been often frustrated and found that anybody can see reason, but not the Government which is in power today.

There is a complaint that the Corporation has given help even to those industries which are well established and which have a reputation, in a very disproportionate measure. It is not good. My friend, Shri Morarka, said that everybody has to be given help and the measure of the help is not to be taken so seriously. I could not understand why the textile industry should still need to take aid from the Government. Naturally, it creates a doubt in our mind that this IFC is there more or less as a body which is always prone to extend its helping hand to those people who are more or less associated with the Government or who have favourable disposition towards this Government.

There is one thing which should receive our consideration. We have so many backward patches in this country. There the Finance Corporation should have used its influence and its power in looking to the fact that the backward areas in this country are benefited. The industrialists might have been asked, forced or influenced by the IFC to go to those areas where we do not have much of industries and where industrial development is needed.

My friend, Shri Morarka said that the medium industries should be given more than 50 per cent of the usual loans which are given to the industry. I know that it has been considered, and considered quite rightly, by people who have certain expert knowledge of economics, that in this country if speedy industrialisation is to have success, economic powers have to be dispersed in a manner that there is a greater sense of fulfilment among our people and for that small scale and medium scale industries have to be given priority over large-scale industries, except basic industries. It should

[Shri Rajendra Singh]

also be noted that unless it is very, very imperative large-scale industries should not be brought into existence and should not be given help from the IFC. But to our surprise we find that the large-scale industries, especially processing industries, have been given large amount of help. So, naturally, scope for small industries and medium industries has been very much limited. So, I submit that the whole thing has to be reviewed from a fresh angle which will meet with the needs of the situation.

Some of my hon. friends, like Shri Ranga, raised objection to equity participation by the Corporation. I think this is a good thing. The industrialists of this country have a habit of looking at the Government as a benefactor, from whom they want to take everything without giving back anything in return. When we give money to a certain firm or industry, it promises to return it back. But what is the harm if there is equity participation by the Corporation? By doing that the root of public control goes deeper down and does not remain superficial. So, I welcome this particular amendment, and welcome it quite strongly. The misgivings or apprehensions of those who are feeling a little bit disheartened and who have opposed this provision are not well-founded.

Then I come to one sore point. Whenever any firm or any industry gets any assistance from the IFC, it must be made known to the general public. Why should it be kept as a secret? If you see their annual report, of course, the names of the firms are there but the details of any previous help that might have been given to those firms are not disclosed. Apart from that, whatever is disclosed should be publicised widely in the newspapers and that way the public might be taken into confidence.

There is a complaint from certain sides that applications which are submitted to the IFC do not get speedy disposal. There is an element of truth in such complaints. Except emphasising that in the House and requesting the hon. Minister to expedite it, what else can I do? I can only say that some means must be found by which there is speedy disposal of applications and there is no complaint.

Coming to medium industries, I should say they should be defined. I agree that there should not be anything like a deadline and wherever there is necessity and need, on proper examination and investigation, Government should not hesitate to give power to the IFC to give more than Rs. 50 lakhs as loan in deserving cases. With these words, I support the Bill.

Mr. Chairman: Shri Achar. I find he is not here.

Shri Harish Chandra Mathur (Pali): We have before us for discussion certain amendments to the Act governing the working of the Industrial Finance Corporation. IFC is one of the public sector undertakings which is not in conflict with the private sector. We have always found the private sector accusing the growth and development of the public sector. But here is a public undertaking which is there for the exclusive purpose of propping up and feeding the private sector. The private sector, I hope, will take note of this fact.

These financing institutions have always a certain objective in view and we have got to consider all the amendments and the provisions of the Bill in the light of those objectives. What was the objective which was in view so far as the setting up of this Corporation was concerned? It was to encourage and facilitate the development of the private sector on certain lines which will fit in with our plan objectives. Otherwise, I do not think there is any justification for public funds being allotted for indiscriminate growth and development of the private sector. Are we succeeding in that matter is the crux of the problem.

Certain hon. Members referred to the development of undeveloped areas and a fitting reply, obviously and *prima facie* a fitting reply, was given by my hon. friend who comes from Rajasthan, Shri Somani. He says that the Corporation is quite anxious all the time to see that those areas which are backward and undeveloped, they are given preference, and the Corporation had gone out of its way to write to the Chief Minister of Rajasthan that there are no applicacants from Rajasthan or such backward areas which have not received the most sympathetic attention of the Corporation. I do not blame the Corporation for that. But I definitely blame the Government for not giving proper directives for the functioning of this Corporation.

Let us examine certain facts which have been made available to us by the Planning Commission. While we were discussing the development of this country in the Planning Commission, I had raised certain points and I asked them what steps they were taking to develop the backward areas.

They themselves unfortunately have not got very up-to-date information, but whatever information was made available is of some real significance and I will like to give certain figures to this House. They have given out a list wherein they have stated mining and factory production in the various States. What is the state of affairs? What is the production of the various States in the mining and industrial sector? That will indicate what wealth is produced by each State.

From this statement it will appear that at the top comes Bombay where the figure is 8,640. These figures are in million rupees. Rs. 8,640 million worth of goods are being produced there. Then comes possibly West Bengal and so on. At the bottom of the list comes Orissa where it is only Rs. 200 million. Above it comes Rajasthan and there it is Rs. 230 million. These two States are at the bottom of the list and as it happens the Corporation's assistance to these areas is also the least.

It can very well be argued that if there are no applications what the Corporation can do. Here I want to make a definite and clear suggestion and that is that the Corporation should be given a directive to the effect that it should follow a policy of giving loans to those concerns which are to be set up in these areas at a lower rate of interest. If they want money for machinery, the 50 per cent rule should not be followed here. They can give right up to 75 or 80 per cent.

There are various ways and methods which have got to be developed and which must be followed only by such corporations. It is only such financing institutions which can follow these criteria for the advancement of loans so that, following those criteria, the under-developed areas are propped up and are developed. But, unfortunately, as it happens, this Corporation is no better—I wish to repeat it; I have said it earlier—than any other banking institution. It may give special type of loans, but so far as carrying forward the objectives of the Plan are concerned, I venture to submit again that this Corporation is no better than any other ordinary banking institution trying to prop up and feed the private industry. But that is not our purpose. Therefore I wish that a definite directive should be given and provision should be made in this Bill that the Corporation should lend money on such preferential terms to attract all the industry to those areas which we have in our mind to level up during the course of the Second, the Third and the Fourth Plans.

[Shri Harish Chandra Mathur]

What has happened? We have produced a lot of wealth and the hon. Prime Minister has said that he will now investigate where this wealth has gone, whether it has gone to the poorer people or it has gone to make the rich more rich. Now the same thing follows here. Have these loans advanced by the Corporation gone only to develop further those areas which are already developed or have they gone in the direction of developing those backward areas?

Having said that, I come to the working of the Corporation. It would be unfair of me not to acknowledge and give a clear approbation to the Corporation on its working judging it by any standard. They are not the people who give directives. They are not people to make provisions in these Bills and enactments. It is the Government and the Parliament which make these provisions and enactments. So my criticism is levelled only against them. So far as the Corporation is concerned, within the given limits within which it is functioning I have not the least doubt in saying that judging it by all standards of judgment the Corporation has done fairly well. If we look at the reports we find that the amounts advanced have grown from year to year. Though the amounts actually advanced continues to be about Rs. 8 crores during all the three years, the amount of loans sanctioned during the last year is about Rs. 18 crores. I understand it. Also, so far as profitability, good loans, recovery of the interest, submission of reports and accountability to Parliament are concerned, I do not wish to hesitate for a moment to give the approbation which is due to the Corporation.

I will make in passing two or three further observations. My hon. friend, Shri Muniswamy, who spoke before me, made a suggestion that some statutory body should be created. I have not been able to appreciate his viewpoint. What type of a statutory body is demanded? I think the Corporation itself is a statutory body. Why do you need another statutory body? If we cannot trust the Corporation, there is no reason why we would trust another body. I think we should not create any impression in the minds of those who run the Corporation or in the country that we have no trust in one particular statutory body and will have greater trust in another statutory body. As a matter of fact only a few days back we discussed......

Mr. Chairman: I am sorry that I have to cut down the hon. Member's time to ten minutes because there are three speakers more and I am to ask the hon. Deputy Minister to reply at 2-45.

Shri Harish Chandra Mathur: I will conclude in another two minutes though I was under a different impression according to what the hon. Speaker said.

There is no statutory body which is necessary. As a matter of fact while discussing the public sector undertakings we had suggested an overall statutory body of Parliament which would look after all the 70 public undertakings in the country. There is no intermediate body wanted between that statutory body and this statutory Corporation to look after it.

I will make another observation about what my hon. friend, the leader of the Swatantra Party, said in the opening remarks of his speech. I have great respect for and personal relationship with my hon. friend but I do not know what sort of complex they have developed. He, at the very outset, wanted to give an unnecessary warning to the Government that they do not want that the Government misuse their power. Government has got much more power than this Bill gives it. It has thousand times more power than this Bill will give. Government has already got more powers in respect of the administration of this Corporation itself. Has he any instance to show where this power has been misused? What is the use of making these general observations and giving unnecessary warnings?

Then my hon. friend, Shri Rajendra Singh, also made certain observations about money being given to those people who are favourably disposed towards the Government. I have got no such information. If he has got any such information, I will like to be at one with him and denounce the Government. But hon. friends who just want to make such observations would do much better either by pointing out that such-and-such application had been dealt with so or by citing a case in which the application had been turned down because it was from such a firm which was not favourably disposed towards Government. What we find is that on the other hand the Corporation is going out of its way approaching people and the Governments, more particularly in the underdeveloped areas, asking them for applications and wanting to give them all sorts of assistance. I do not think in the light of these circumstances that there appears to be any justification for such observations.

Shri Naushir Bharucha: Mr. Chairman, I think this is a welcome Bill seeking to enlarge the powers of the Industrial Finance Corporation. The fact has to be borne in mind that this Industrial Finance Corporation is a powerful instrument, if used in the proper way, for advancing the pace of industrialisation of our country.

Much of the criticism that has proceeded from my hon. friends of the Communist Party centred round the fact that they are opposed to the growth of the private sector as such.

Sir, the Bill, so far as it proceeds, seeks to remove certain disabilities which have been found in the operation of the Act by the Industrial Finance Corporation. There are six disabilities which this Bill seeks to remove.

First the Corporation cannot guarantee loans raised by industrial concerns from scheduled banks and State cooperative banks. This is an obvious matter. When the Industrial Finance Corporation has been entrusted with powers of assisting industrial concerns financially, there is no sense in not guaranteeing loans raised by such concerns from scheduled banks. This may have been an oversight and this lacuna is being rectified now.

The second disability is that the IFC cannot guarantee deferred payments for the acquisition of capital goods in India—a very invidious distinction to be made. Since acquisition of capital goods made in India, is absolutely in the interest of the country and in the interest of the promotion of industrialisation, one fails to see why the IFC cannot guarantee deferred payment for the acquisition of capital goods made in this country.

The third disability is that the Corporation cannot guarantee foreign exchange loans sought by Indian concerns from institutions abroad. That again seems to me to be a kind of impediment in the way of a Corporation which we have created for assisting industrialisation. That disability must also go.

The fourth disability is that it cannot subscribe directly to the share capital of an industrial concern although it can underwrite issues of shares. I really fail to see the distinction between acquiring shares by way of underwriting them, or acquiring shares by way of directly contributing to the share capital. Whether you subscribe directly or retain those shares which you have underwritten for a period of seven years, the distinction is very subtle and the handicap must go.

The fifth disability is that the Corporation cannot share the profits of an industrial concern which is entit-

[Shri Naushir Bharucha]

led to financial assistance from it in the shape of loans or debentures. If people say that the power given to the Corporation to underwrite share capital is there, and if we give it power to subscribe directly to share capital, I do not see any reason why it should not participate in the benefits of the industry.

The sixth disability is that it cannot grant loans or subscribe to debentures of industrial concerns, where the grant exceeds one crore of rupees. If in aggregate they can carry on business of much larger magnitude than this, I fail to see why single ventures of this kind should require special permission of the Government. The fact remains that the Industrial Finance Corporation is still a small concern notwithstanding its turn-over of nearly a hundred crores of rupees. Therefore our anxiety should be to increase the volume of the turn-over of this Corporation and make it truly an agency for helping the industrialisation of the country.

So far as the criticism as to whether it has assisted under-developed areas or not, I think that really belongs to the realm of policy with which the Industrial Finance Corporation is not concerned. It is up to the Government. It is not the business of the IFC to find out which are under-developed areas, because immediately on the connotation of under-developed areas there will be difference of opinion. It is the duty of the Government to give specific directives and it is for the Corporation to carry out those directives. It is not for the Corporation to find out and specify that these are under-developed areas and therefore they should be developed.

Shri Warior: That directive can be issued by the Government.

Mr. Chairman: The hon. Member is not yielding the floor.

Shri Naushir Bharucha: That is the business of the Government. What I am pointing out is that the IFC cannot be blamed for not laying down a policy. The fault, if any, lies with the Government.

Much of the criticism centred round the administrative aspect of the Corporation. Some industrialists like my hon. friend Shri Somani, who makes very valuable contributions on financial matters, says that the loans are granted only up to the extent of 50 per cent of the fixed assets. I am of the view that it is erring on the side of having over-security for the investment. That policy should be definitely abandoned and some sort of reasonable relaxation should be made. A directive from the Government is also necessary in this matter.

Finally, I have to point out one thing. So far as the Bill is concerned, we are only here to decide whether certain powers should be given or not. As to how these powers are used and to what extent the Corporation should be accountable to the Parliament, these are totally independent questions. I am not in favour of setting up any statutory body. As my hon. friend Shri Mathur pointed out, if we are going to have a body for going into the affairs of all undertakings in the public sector, it is a different thing. We may have such a body. But I am of the opinion that at present our narrow and limited concern is whether the Bill should be passed or not, whether we should extend the powers of the Industrial Finance Corporation or not. I am of the opinion that these are more or less lacunae left in the Act which experience has brought to the forefront and they should be rectified.

After all I believe the Industrial Finance Corporation has still a greater and vital role to play in the course of the Third Five Year Plan when our industries are expected to take a big step forward and we hope the Corporation will give a good account of itself in the course of the Third Five Year Plan.

Pandit Munishwar Dutt Upadhyay (Pratapgarh): Madam Chairman, I am very thankful to you for giving me a few minutes, although you are so hard-pressed for time. Many of the points which I wanted to make have been covered by the previous speakers and I shall take only a few minutes.

Before I go to the merits of the Bill itself, I would like to say that my hon. friend Shri Ranga gave a different turn to the debate from our constant demand for greater control over such corporations by the Parliament Government, whenever such subject came before the House. He said that the control of Government was probably too tight over this Corporation and its working and said that Government should not have that much of control in the working of this Corporation. As a matter of fact, Government has taken almost 99 per cent of the responsibility for the financing and working of this Corporation. To say that Government should have no voice, I think would be highly improper in this regard at least. In other respects our demand for having a tight control over such institutions I think is appreciated by Shri Ranga also.

The other point that he made was that the loans advanced were mostly to sugar factories and cement factories. Of course loans were advanced to sugar factories run by cooperative societies. That was the policy of Government and I think there is ample justification for it. As regards cement, for the heavy construction works that are going on cement is badly needed and if any help to develop that industry has been given, I think it was fully justified. Again he said—I wonder how he could say so—that not much has been given to small-scale industries. As a matter of fact, the object of this Corporation is not to give aid to small-scale industries. Therefore, that question does not arise.

Another hon. Member from the other side said that there should be a change in the constitution of the Advisory body or the Board of directorate. I do not know what change he wanted in the Board and the Advisory body. In fact, the Board is not being controlled by persons who are running the industries, generally. There are a number of others, officials and others, and Members of Parliament. I think the Board is properly constituted and its working has been very satisfactory. In the beginning there were a good deal of complaints. A sub-committee was appointed. The report of the Sub-committee came before us. After that report, I find that the working of the Corporation has been very satisfactory. There does not appear to be any reason for making any further complaint. Of course, there were certain drawbacks and those drawbacks are now being made good by the suggestions that have been put forward in the amendment.

The most welcome suggestion that has come is the guaranteeing of loans from Scheduled banks and co-operative banks, although loans were taken from the public. There was no provision for a guarantee for loans from the Scheduled banks and co-operative banks. This was very necessary. It is an easier way to raise money and loans for the purposes of working these concerns. Another provision which is still more welcome is the provision by which the Corporation can give guarantee to the purchase of capital goods made in India. This encourages the manufacture of capital goods in India and also helps those cencerns that are manufacturing these goods. These are the two most important amendments that are being made and they are very welcome.

The drawbacks that have been pointed out still are that the underdeveloped and backward areas are not sufficiently helped. As some hon. Members said, that is not due to the fault on the part of the Corporation

[Pandit Munishwar Dutt Upadhyay]

itself. Its constitution does not allow the Corporation to go in that direction very far. It is really the fault or the drawback of the Government directive or power not having been conferred on the Corporation. Doubt there is none probably, that concentration of industries is being made in certain areas and some of the Pradesh are neglected. Some of the Pradesh were named by my hon. friend. I think it is correct. If it is possible, an amendment should be made so that the Corporation may have an opportunity to help those under-developed areas in a better manner.

Another hon. Member on the other side—I think, Shri Rajendra Singh—said that private fortunes are being made with the help of the Corporation. I think he remembers those days of the Corporation in the beginning when a lot of complaint was made. After the report of the Committee, I do not think there can be any such complaint against this Corporation. Therefore, I would submit that the working of the Corporation is excellent, there is not much room for complaint and that the amendments that have been suggested are welcome.

Shrimati Tarkeshwari Sinha: Mr. Chairman, I am grateful to the hon. House for being so commendatory about this Bill. Many useful suggestions have been put forward. I can assure on behalf of the Government and the Corporation that all these suggestions will be kept in view.

There is a certain misunderstanding in the minds of the first two speakers which I would like to clarify. Shri Warior raised a point that there is no representative of the workers on the I.F.C. Board. As the hon. Member knows, policy decisions in regard to disbursement of loans and so many other things are decided by the Board of directors. In the Board of directors, there are certain members nominated by the Government. One of them is a representative of the workers. A very important trade union leader has been nominated by the Government as a director, on the Board of the I.F.C.

Shri Warior: On the Advisory body. The hon. Minister should not confuse. It is not on the Board of directors. There is an Advisory body. It was in that that I suggested that there is no representative of the workers.

Shrimati Tarkeshwari Sinha: The doubt that he expressed does not at all arise because, actually, it is the Board of directors that evolves policies for the working of the Corporation. The Government keeps a constant watch that the interests of every section of the country are well represented in the working of the Corporation.

Another point was raised by the first two speakers, Shri Prabhat Kar and Shri Warior who have tabled an amendment for sending this Bill to a Joint Committee. I do not see any reason why this Bill should be sent to a Joint Committee. The House had opportunities of discussing this Bill a number of times. I mentioned in my speech that, since the Industrial Finance Corporation Act came into existence, the House had opportunities of discussing this Act four times. This is the fifth amendment which has come. Therefore, all the policy decisions, and the ground work on which the Corporation is functioning at present were thrashed out by the various discussions that took place in Parliament and also in the various discussions that took place between the Corporation and the Government. I do not see why this small Bill should go to the Joint Committee and cause delay. Many hon. Members are anxious and many Members have expressed their concern today even in the House that the Corporation's work should be expedited much more vigorously and that it should expand its activities much more. Therefore, to cause delays where delays should not happen will certainly hamper the work done by the Corporation.

Therefore, the Government did not really think it at all advisable to send this Bill, which is a very small Bill consisting of a few clauses, to a Select Committee. Hon. Members would realise that in the Statement of Objects and Reasons it has been pointed out that from the experience gained by the Corporation in its working from 1957, when the Act was amended last, it has become necessary to enable the Corporation to render assistance to industrial concerns in a wider field. For this very purpose, this Bill has been brought forward and it has received such happy support from all sections of the House. When this Bill was drafted, all the aspects of the Bill were considered. It has been considered in the various committees, and the Consultative Committee of Parliament. From time to time, Members have raised certain points by various questions that they have put forward in this House. Many suggestions have been received and many queries have been made. Government have seen that all these various suggestions and various queries are fully considered. We also considered this matter with the Reserve Bank of India and the concerned Ministries as to how to formulate a policy so that the working of the Corporation may be smooth and may be expedited for the benefit of the whole country. The overall scope of assistance which would now be rendered by the Corporation would be completely in line with other financial institutions serving in the same field. Actually, the activities of the Corporation and the expansion of its activities will serve to fulfil the growing need of industrialisation of this country and they will supplement the other financial institutions which are also operating in India today. This was the reason why the Corporation is being given enhanced powers. The whole principle of the Corporation is being provided with more elasticity.

Another point raised by both the speakers was about the guarantee to the banks: whether loans provided by the banks should be guaranteed under this Bill. Many hon. Members have answered the ponit fully and I do not have much to add to. They have lightened my burden. There is ample reason why it should guarantee loans raised from banks. Actually as the hon. Member Shri Morarka pointed out, for industrial concerns, it is very difficult to go and float loans in the open market. Generally, they go to the banks and secure loans for their industrial development. It is for the Government of India, State Governments and public bodies like the IFC to float loans in the open market, but it is really very difficult for an industrial establishment to go and ask for money in the open market. Even then, the Corporation already has this privilege of guaranteeing the existing loans raised in the open market. As Shri Bharucha pointed out, it was really an oversight which prevented the Corporation guaranteeing the loans provided by the banks. After all, most of the business undertakings take loans from banks. So, it is very anomalous really that the Corporation should guarantee loans raised by industrial concerns from the market as such and not guarantee loans which the industrial undertakings take from banks. The purpose of this amendment is to remove this anomaly.

Both the hon. Members who spoke first are quite conscious of the fact that Government has 99 per cent financial interest in the Corporation. That is the very reason that made the Government or the Corporation come forward with the amendment which releases the Corporation from the additional guarantee of sums above Rs. 1 crore. After all, as the hon. House knows, because the report is before it, Government owns nearly 20 per cent of the Corporation's present issued capital of Rs. 5 crores, and in addition, it guarantees the balance share capital of Rs. 4 crores. Apart from that, it gives the Corporation large loans and guarantees all the bonds issued by

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the Corporation which, in fact, constitute the principal source of the Corporation's funds. The bonds so far issued by the Corporation, carrying Government guarantee aggregate nearly Rs. 25.74 crores. There is, thus, little point in the Government guaranteeing again loans over Rs. 1 crores given by the Corporation. I do not think it is at all necessary or desirable for Government to undertake such guarantees for the sake of a few concerns.

The hon. Member was very concerned as to why all this money should really go to the people who have already big funds. That is the very reason why Government does not want to give this guarantee only to a few people. The Government guarantees the loans and the bonds issued by the Corporation and so many other things of the Corporation. So, why should Government really give this additional privilege to only a few people whose borrowing goes to Rs. 1 crore or more than that? It is in the interests of the Corporation and Government that this additional guarantee is not provided only to a few lucky people. It is therefore felt that no particular advantage is gained by providing the additional guarantee to loans of Rs. 1 crore or more. This has been relaxed.

Shri Warior also raised the point about loans being disbursed to a few lucky people. Some other hon. Member also made a very uncharitable remark saying that public money was being spent for making private fortunes. I think it was a very unfortunate remark. If Members have gone through the report, it is really not very necessary for me to give any additional information, because the report is so exhaustive that it gives all the information. But, again for the information of the House, I may venture to say that the number of concerns to which loans were disbursed till 30.6.60 was 146. The total amount of loan disbursed in these years since the Corporation has come into existence is Rs. 50.73 crores. During the last three years the Corporation has really made a tremendous progress. Out of Rs. 50.73 crores of loans disbursed, disbursement in the last three years has been as under:

1957-58	Rs. 8.33 crores
1958-59	Rs. 7.48 "
1959-60	Rs. 8.41 "

Loans which were sanctioned and approved were as under:

1957-58	Rs. 7.79 crores
1958-59	Rs. 3.79 "
1959-60	Rs. 17.92 "

Applications rejected have been very few. In 1957-58, out of 48 applications received, only one was rejected. Applications which were withdrawn or which lapsed in 1957-58 totalled 10, in 1958-59 it was 22 and in 1959-60 it was six, but for that nobody can blame the Corporation.

Out of the total of Rs. 84.61 crores of loans sanctioned since the Corporation has come into existence, Rs. 33.88 crores have not been disbursed. This gap is made up as follows:

Loans declined or not to be made available Rs. 10.95 crores

Loans approved subject to Government approval which was alities which have to be gone through Rs. 12:51 crores.

Loans under commitment awaiting completion of necessary formalities which have to be gone through Rs. 12:51 crores.

So, it is clear that it was not through any default of the Corporation that this sum of Rs. 33.88 crores has not been disbursed. These are certain fundamental principles which have to be followed by any financial institution, and more so by the Industrial Finance Corporation, 99 per cent of which is public money.

I do not want to repeat the points already taken up by Shri Morarka, Shri Somani, Shri Bharucha and so many others. They have given support and strength to this Bill. But there are one or two points which were raised by a few Members about regional disparity and the responsibility of the Corporation in fulfilling the obligation of reducing the regional disparities. As Shri Bharucha pointed out, it does not depend upon the Corporation to go into the question of regional disparities, because, as he pointed out, it may be that the concept of regional disparity may differ from one industrial unit to another. So, the Corporation, which is an impersonal body, cannot really go into the question. But I do appreciate the anxiety of the House about reducing this regional disparity. That has also been our national policy. It has been the policy of the Government, and the whole House is in support of that policy. I can certainly assure the House that we shall really keep in view this anxiety expressed in the House and see, without affecting the basic structure of the Corporation and without interfering in the day to day activities of the Corporation, whether Government can really find out some way so that when applications are received, this question can also be considered. Every application which is to be sanctioned by the Corporation has to be very sound financially. The whole purpose of such a financial institution is to go into the entire financial soundness of the whole proposal. They have to satisfy themselves about it in respect of every industrial undertaking, responsibility for which they take upon their shoulders. But a case may come in where there are two units equally sound and equally deserving loan from the Corporation. There certainly the Government can look into the question, because these major loans have to be advanced under the approval of the Government. While these big loans are advanced with the approval of Government, Government will certainly try to pursue the policy decision which they have already taken in other governmental activities or even in regard to the licensing of the private industrial undertakings, namely that they will keep in view the question of reducing or avoiding regional disparities. As the hon. Member has pointed out, this does not require any amendment of the Act. This can be really provided for by a suitable discussion between the Government and the representatives of the IFC. But I do not think it is proper on the part of anybody to blame the IFC on this score.

15 hrs.

Shri Harish Chandra Mathur: Nobody has blamed the corporation. We have very clearly stated that the corporation within its limits has done exceedingly well. So, the corporation is not being blamed. We only wanted Government to give a directive which will be in line with the policy of Government; they could give certain incentives so that in certain areas which are backward, both industry and capital could be attracted. Instead of being only a banking institution, the corporation which is a Government institution must certainly pursue a policy which will tend to promote industries in the backward regions.

Shrimati Tarkeshwari Sinha: I have already taken cognizance of the anxiety expressed on the floor of the House, and certainly we shall try to do whatever we can in this respect.

There was another criticism advanced that these loans were provided only to the big industrial undertakings. Several arguments have been advanced, and figures also have been quoted by Shri Morarka that out of the industries for which loans had been approved, there were actually seven major industries, namely, sugar, paper, cotton textiles, chemicals, cement, rayon and mechanical engineering. These cover almost all the important industrial sectors in the

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country. Out of the loans approved for them. Rs. 25.62 crores have gone to the sugar industry; and these have been given mostly to the co-operative societies. So, to say that this corporation is only providing funds to the big industrial undertakings and big capitalists is not quite correct.

Shri Morarka raised a point about the relaxation of the principle of 50 per cent margin. Certainly, Government will bear this in mind. As the hon. Member himself has pointed out, this does not require an amendment of the Act. This will certainly be discussed between the Government and the IFC and we shall decide that could be done. Already, we do relax in certain respects. The IFC itself relaxes these rules in certain respects. As to what more we can do for the medium industries, we shall certainly keep this in view.

Shri Somani has raised the question about the purpose of the Central Government guaranteeing the loans given by the IFC. There are no special features in regard to the guaranteeing of these loans. Under the existing Act, there is section 3(2) which makes a provision in this behalf. The provision of guarantees of the IFC loans by the Central Government, State Governments, the scheduled banks or State co-operative banks relates to the cases where adequate securities in the shape of mortgages, pledge etc. are not available, and only in such cases as those relating to the IFC loans to sugar co-operative societies, which are generally formulated by the Central Government or State Government, this provision operates. This is the main purpose of guaranteeing the loans given by the IFC, and we cannot completely do away with that principle, because we have to see the merits of each individual case and find out whether sufficient mortgages or sufficient property is at their disposal which can be set apart to provide adequate guarantees by various other bodies like the State Government or the Central Government or co-operative banks or scheduled banks.

A point was also raised by certain Members that adequate publicity is not given to the activities of the corporation. Publicity regarding the corporation's activities has been given at least to the House. The hon. Members themselves have commended the report of the corporation and said that it is so exhaustive that it covers almost all the aspects of the corporation's functioning. Therefore, to level this kind of charge is not fair. Besides, anybody who wants to get a copy of this report can get it and thereby know which are the industries which have been sanctioned loans and how the functioning of the corporation has been organised.

There was a suggestion by Shri Ranga that these loans should be disbursed with a lot of care. I think Parliament has exercised enough care in the activities of the corporation, and it is as a result of the zealous care that Parliament has exercised that the functioning of the corporation has improved very much. I have been a Member of this House since 1952, and I can realise how the functioning of the corporation has improved. In fact, it has been realised by the House also, because the House has also started commending the functions of the corporation. The praise that has been given to the IFC today on the floor of the House was not there in 1952. So, the House rightly appreciates the improvement that the IFC has brought into its operations and its structure.

I have nothing more to add. Once again, I thank the House for giving such a favourable response to this Bill and I move the Bill for the consideration of the House.

Mr. Chairman: There is an amendment moved by Shri Prabhat Kar. Need I put it to vote?

Shri Warior: We are not pressing it.

The amendment was, by leave, withdrawn.

Mr. Chairman: The question is:

"That the Bill further to amend the Industrial Finance Corporation

Act, 1948 be taken into consideration."

The motion was adopted.

Mr. Chairman: We shall now take up the clauses. There are no amendments to clauses 2 to 4. So, I shall put them together to vote.

The question is:

"That clauses 2 to 4 stand part of the Bill."

The motion was adopted.

Clauses 2 to 4 were added to the Bill.

Clause 5— (*Amendment of section 23*)

Shri Warior: I beg to move:

(i) Page 2, line 13, *for* 'agreed upon' *substitute* 'prescribed'. (1).

(ii) Page 2, lines 15 and 16, *for* 'twenty-five years' *substitute* 'ten years' (2).

(iii) Page 2, line 18, *omit* 'scheduled banks or'. (3).

(iv) Page 2, line 20, *for* 'may be agreed upon' *substitute* 'prescribed'. (4).

(v) Page 2, *omit* lines 29 to 35. (5).

(vi) Page 3, line 18, *for* 'seven years' *substitute* 'one year'. (6).

(vii) Page 3, line 23, *for* 'twenty-five years' *substitute* 'ten years'. (7).

The purpose of my moving these amendments is this. With all the explanations that the hon. Minister has given, I do maintain that this is a clear departure from the structure and concept of the IFC which we had agreed to in the original Act and the amendments made therein later on. These amendments which are being moved now are intended to restrict us very much,—since we are now in the stage of almost accepting this Bill without referring it to a Select Committee,—and restrict the activities and the liability that may come on the head of the corporation. The corporation is given very wide powers. I am quite sure that those who are going to benefit out of it will certainly press the corporation to such an extent that the corporation may well find it difficult to shoulder all these responsibilities.

I shall just give one instance to convince the House of this. We are providing now that the corporation should stand guarantee to the loans raised by any concern even from a private scheduled bank. Suppose the corporation does not know actually what the position of the scheduled bank itself is; suppose it is a bank like the Palai Bank, for instance, what will be the position of the corporation when guaranteeing such loans? These private banks may be scheduled banks, but they may be giving loans to the concerns under certain circumstances, under certain pressures. What will be the guarantee about the security of those loans? We have no such guarantee. Even now banking concerns, especially in our parts in the south are, I know, in a flux. Under such circumstances should we load the responsibility of all these guarantees on this Corporation? I do not think that it is necessary at least at present.

Then again, we are now guaranteeing debentures and other loans. At the same time, there is a clause here to enable conversion of the loans into shares. Suppose the share market goes down. What will be the position? Naturally these concerns will come to the Corporation and press it for conversion of the loans into shares. We had such occasions and we had mentioned it here. Hence, as far as possible, we should not put the Corporation in a ridiculous position when it actually has to face pressure from the other side. My only object is to save the Corporation from this situation. It is not that its powers should be resricted so far as giving of loans is concerned or so far as the expansion of its activities is concerned. But the other side must not be given

[Shri Warior]

overwhelming power to coerce the Corporation into certain awkard positions in which there will also be financial loss. Hence these amendments.

In my first amendment, I have said that instead of 'agreed upon', it should be 'prescribed'. There must be specific rules and directions given to implement these provisions. With this end in view, I have moved these amendments.

There is another amendment saying that the number of years must be reduced. In the original Act, we have provided for 25 years. Now things are moving faster; it is not like the earlier years. There are many changes taking place in the entire financial and industrial sector. Hence it is necessary that there should be periodical check-up and inspection so that at any time the Corporation can withdraw its hands from the affairs of certain companies which may be mismanaged. For this, 25 years is too long a period. It must be reduced to 10 or 7, whichever is feasible. I do not press that it should be 10. It may be 7 or 12. It is not sacrosanct. But in the present state of our very speedy and quick development, 25 years is too long a period.

All these amendments are harmless. They are meant only to save the Corporation from much trouble and pressure and I hope the Minister will not have much objection to accepting them.

Shri Morarka: I could not understand the amendments moved by Shri Warior. One of his amendments seeks to delete the words 'scheduled banks'. In support thereof, he has instanced the case of a loan taken from, say, the Palai Bank and a guarantee given for such a loan. I cannot understand what is wrong with the guarantee. After all, the Corporation guarantees the repayment of this loan to the bank. The bank gives a loan to an industrial concern and if that concern cannot repay it, then the Corporation would repay. The standing of the bank does not actually matter here. Unless the bank is in a position to make a loan, it will not do so. If the loan is not given, the question of guarantee would not arise. The Corporation only guarantees that the loan would be repaid if the concern, the principal borrower, cannot repay. So Shri Warior's amendment on this point is not quite clear to me.

Shri Warior: If you will permit me, I will make it clear.

Shrimati Tarkeshwari Sinha: We understand it.

Shri Warior: The Deputy Minister has understood it. Take a concrete instance. A security was given to the Palai Bank for Rs. 25 lakhs. Actually, its value was only Rs. 5 lakhs. In such a circumstance, Rs. 20 lakhs would have had to be given by the Corporation to the bank in terms of the guarantee, because the value of the assets offered as security was only Rs. 5 lakhs.

Shri Morarka: Here it is not a question of providing any security or assessing its value. Here a loan is given to the industry concerned by the bank which is guaranteed by the Corporation.

Mr. Chairman: The hon. Member is trying to explain that if the bank is not vigilant and does not look into the assets properly and gives more loan than is warranted by the assets, then the Corporation will be made responsible for the repayment of the loan.

Shri Morarka: That question would not arise, because the Corporation would look into all the details of securities etc. before standing guarantee. Merely because some bank has given a loan, the Corporation will not guarantee it. Before guarantee is given, the Corporation would satisfy itself that all the conditions are fulfilled. So the nature of the security and value thereof would be fully examined. Hence that contingency would not arise.

Shrimati Tarkeshwari Sinha: I agree with what Shri Morarka has said about this. Actually the question does not arise at this stage, because the Corporation will have the choice and discretion to guarantee a particular loan given by the bank or not. This is only an enabling provision for the Corporation to guarantee loans; but it will certainly exercise its discretion before giving guarantee. This Bill does not compel the Corporation to give guarantee. It will be very vigilant, as it has been in the case of so many other loans sanctioned directly by itself, so that the apprehensions of the hon. Member are not well founded at this stage. There is a lot of presumption in what he said.

Then another point was made about conversion of loans into shares. The Corporation has to make some profit. After all, this House has allowed the LIC and ICICI to convert their loans into shares and to buy shares and go into the open market. We have also enabled the Corporation to do likewise. It is not an open sanction to the Corporation to venture into every kind of share. It is just an enabling provision that in case it thinks fit it may buy a particular company's shares which are available and which will be profitable to buy. The Bill certainly gives option to the Corporation to have this elastic approach. It allows it the option of converting part of its loans to shares or debentures. But certainly I do agree with Shri Somani and Shri Morarka that there is an element of risk in this. But in business there is always a little risk involved. I am sure, like a shrewd financial body that the Corporation is, it will be very cautious about the whole approach to be made in the share market. It has an additional responsibility under clause 8 which amends section 42 of the Act. Under this amendment, we are providing that the rules framed by Government should be published in the official gazette and laid before Parliament within 30 days and will be subject to modifications made by Parliament. So Parliament will have abundant opportunity of discusing that rule and throwing it out if it thinks so and if it is against public interest. So there should be absolutely no apprehension on this account. Because there is nothing in these amendments, I do not propose to accept any of them.

Mr. Chairman: Does the hon. Member want to press his amendments?

Shri Warior: Yes.

Mr. Chairman: Shall I put all of them together?

Shri Warior: Yes.

Mr. Chairman: I shall now put amendments Nos. 1 to 7 to the vote of the House.

Amendments Nos. 1 to 7 were put and negatived.

Mr. Chairman: The question is:

"That clause 5 stand part of the Bill".

The motion was adopted.

Clause 5 was added to the Bill.

Clause 6— (*Amendment of section* 24)

Shri Warior: I beg to move:

Page 4,—*omit* lines 5 to 9 (8).

My hon. friend, Shri Prabhat Kar, has explained this point. I do not want to add anything more to it.

Mr. Chairman: This amendment is now before the House. Does the hon. Member press it?

Shri Warior: No.

The amendment was, by leave, withdrawn.

Mr. Chairman: There are no amendments to clauses 7 and 8. So, I will put all the three clauses, clauses 6, 7 and 8 together for the vote.

[Mr. Chairman]

The question is:

"That Clauses 6, 7 and 8 stand part of the Bill."

The motion was adopted.

Clauses 6, 7 *and* 8 *were added to the Bill.*

Mr. Chairman: The question is:

"That clause 1, the Enacting Formula and the Long Title stand part of the Bill."

The motion was adopted.

Clause 1, *the Enacting Formula and the Long title were added to the Bill.*

Shrimati Tarkeshwari Sinha: Sir, I beg to move:

"That the Bill be passed."

Mr. Chairman: The question is:

"That the Bill be passed."

The motion was adopted.

15.22 hrs.

MOTION *RE*: REPORT OF INTERMEDIATE PORTS DEVELOPMENT COMMITTEE

Mr. Chairman: Now, we will take up the next item, the No-Day-Yet-Named motion by Shri T. B. Vittal Rao and others.

Shri T. B. Vittal Rao (Khammam): Madam Chairman, I beg to move:

> "That this House takes note of the Report of the Intermediate Ports Development Committee, laid on the Table of the House on the 9th September, 1960."

The Committee was appointed in March 1958. The report was submitted to Government some time, as published in this report, in April, 1960. Several months after the report was submitted to Goernment, they thought it fit to lay it on the Table of the House on 9th September, 1960. Even then the Government's decision on the recommendations is not known. It is still in the consideration stage and, probably, some discussions are going on between the Ministry and the Planning Commission. But I welcome the decision of Government at least to appoint this committee because all the while emphasis was being laid on major ports and the development of major ports. Only when they saw a few years ago that due to congestion at these major ports they have to pay heavy demurrages they just thought of developing some minor ports and appointed this committee.

15.24 hrs.

[SHRIMATI RENU CHAKRAVARTTY *in the Chair*]

The idea of developing these minor ports is very good because the major ports which we have already reached the optimum—the saturation point. And, whatever alterations or additions we can make will not be of great help. Even for developing the handling capacity of the various major ports in the country, for increasing their handling capacity, several other ancillary works have to be undertaken. For instance, if the capacity of the Madras port has to be increased by adding a berth or two, for handling the iron ore traffic for export, you will have to double the railway line between Guntakal and Madras, which would again entail huge expenditure.

Another important point which has come to the fore is the export market for our iron ore. As stated in the Report, the Japanese steel industry wish to buy enormous quanties of iron ore. Then there are the East Europeon countries and some other buyers from the western countries. It is estimated that we would be in a position to export 9 million tons of iron ore annually by the end of the Third Plan period, that is 1965-66. This 9 million tons would be, I think, on the conservative side. This cannot, by any stretch of imagination, be said to be an exaggerated figure because, to cite one simple instance, only the other day, I read a statement by the Commerce and Industry Minister, Shri Lal Bahadur Shastri that the Rumanian Government has offered to purchase 1 million tons of iron ore from India but that he was not in a position to accept it because of the lack of capacity of transport inside the country and the export from the ports. That shows to what extent we can earn foreign exchange by exporting. The figures that have been given both in the Report as well as by the State Trading Corporation are on the low side. If we really think seriously of importing iron ore, I think, we can find a market for greater quantites of iron ore.

In this context, I submit that certain intermediate ports have to be developed into major ports—all-weather ports. First, I make a brief reference to the port of Kakinada This is an important port in the State of Andhra Pradesh. Natural and favourable conditions exist for the development of this port into a major one. In the Report itself, it is stated that this port should be developed with a view to handle 4 lakh tons annually. I am afraid this port should be developed into major port. This port is very well connected by road, rail and canal. It is one of the few ports which are well connected.

I know tobacco from Bhadrachalam and beyond, for export is transported by means of country boats on the river Godavari up to Cocanada port. Tobacco is one of the important commodities for export from this port. Oilseeds and groundnut are also exported from this port. It is said that if the fertilizer factory at Kothagudam is commissioned, we will have to import 50,000 tons of rock phosphate. There is added importance to this port in view of the fact that the Vizar port is going to be still further heavily congested. Why? It is because the Vizag port has become already the headquarters of various constructions including the Dandakaranya Project—Baladilla-Kothavalsa a distance of 310 miles. If certain materials required for this rail link is again brought through the Vizag port there will be congestion. We have known in the past what happened when the plant and machinery for the Bhilai steel project were brought to this country. They could not be unloaded at the Vizag port. Therefore, they were diverted to Calcutta. The ships could not be unloaded even at Calcutta because the Calcutta port was also congested. The result was that a heavy demurrage—I do not know the exact figures—running into some crores of rupees had to be paid.

Therefore, with a view to serving this area and to cater to the iron ore traffic from the Bellary-Hospet region and also the iron ore that has to be got from Khammam-Warrangal District in Andhra Pradesh, this port has to be developed. I know that in the report it is an absolutely underestimate which the committee has made about the iron ore deposits obtaining in the Andhra Pradesh region. I come from that place. I know how much iron ore is available there. I see how much iron ore is lying at the station yard. Whenever I ask them as to why so much iron ore is being stacked at the railway station yard I am told that there is no proper port capacity to export the iron ore. I am also told that in this very region where geological survey and geological mapping has not been properly done there are enormous possibilities of increasing the output of iron ore. The only thing mentioned here is about Jaggayyapet, that the iron ore deposits have been rapidly depleted. But, unfortunately, the iron ore that is available in Khammam and Warrangal have not been taken into consideration.

There was a proposal by the State Trading Corporation to export not less than five lakh tons of iron ore from this area. For that purpose they

[Shri T. B. Vittal Rao]

wanted to construct a road link from the mine area to Bhadrachalam so that from there they can take the iron ore by country boats to Kakinada for being shipped to the various countries. I do not know why that proposal was not mentioned before the Committee. For a long time, various marine exports and other technical consultants have said that Kakinada port can easily be developed into a major port.

One point which has not been taken into consideration at all is the possibility of export of coal from Singareni collieries to Ceylon. Ceylon purchases about one lakh tons of coal from India annually. This coal from the Bihar-Bengal region is sent through Calcutta to Ceylon. If Singareni collieries enters into this export market, which is a public sector company, then these one lakh tons of coal could easily be transported to Kakinada port and from there shipped to Ceylon. This possibility has not been taken into consideration by the committee.

I would only refer to a resolution moved in the Council of States some years ago by Shri M. Thirumala Rao urging upon the Government that the port of Kakinada should be developed into a major port. I submit that this fact should be taken into consideration very seriously by the Government and they must see that this Kakinada port is developed into a major port. There should be a channel dug 400 ft. wide and 40 ft. deep for a distance of four miles. They should also provide six berths at an estimated cost of Rs. 5 crores to Rs. 6 crores. Then, I am sure, this port will be able to handle all the iron ore traffic and even the export of coal to Ceylon instead of sending coal from the Bihar-Bengal region through the port of Calcutta.

Then I come to the question of development of Mangalore as an all weather port. I am sure my hon. friends from Mysore State will elaborate that point. I want to mention only one thing. Unless the Mangalore port is developed it will not be possible to export our iron ore. We are supposed to export 9 million tons of iron ore to foreign countries. The rich iron ore deposits that are there in the Sandu region could be easily sent. What is happening today is, the mine owners are finding it difficult to develop these mines to their full capacity because of the transport bottleneck both at Guntakkal where transhipment becomes difficult. Then, if you take it to a further distance by road the trucks cannot go beyond a certain point. Therefore, we are not only impeding our exports and thereby earning foreign exchange but we are also impeding even the development of the mines which are rich in iron ore content and which will find a ready market in the various foreign countries. I know how the mine owners find it difficult to transport their iron ore. I have seen heavy stacks of iron ore lying at Gooty and Guntakkal stations on the Madras section. Similar is the case at various other stations. I do not know why still a decision has not been taken with regard to Mangalore. When the former Mysore Government was there, they had a plan to develop a port all by themselves. That was somewhere near Bhatkal—my hon. friend Shri Imam will be able to tell more facts about this. The only trouble is, if this Mangalore port is developed into a major port we will have to link up Mangalore with Hassan, a metre gauge link, which will hardly cost about Rs. 4 crores to Rs. 5 crores—a rail link of about 120 miles. Therefore, it is an integrated project. If this project is taken up and completed, we can earn more foreign exchange and also export more iron ore

Lastly, I come to Tuticorin. I need not say much about this because the hon. Minister himself knows much more than what I do. But I only wish to emphasise one fact, that the Tuticorin port project was also an integrated project. It was linked up with the development of Sethusamudram project. If the Sethusamudram project and the development of Tuticorin port is taken up, it will go a long way in easing the transport difficulties obtaining there.

In conclusion, I would urge upon the Government that the Kakinada port should be developed, not as stated in this report but into a major port spending at least Rs. 5 crores to Rs. 6 crores. I would also urge that the development of Mangalore port should be taken up without delay and the Tuticorin-Sethusamudram project should also be taken up and completed early.

Mr. Chairman: Motion moved:

> "That this House takes note of the Report of the Intermediate Ports Development Committee, laid on the Table of the House on the 9th September, 1960."

Shri Mohammed Imam (Chitaldrug): Mr. Chairman, I wish that the Minister of Railways and the Minister of Commerce and Industry also were here, because this problem is intimately connected with their Ministries also. I have read the report of this Committee with great care and it is my duty to pay them my tribute for the good work they have done. They have gone into every aspect of the matter and they have given very cogent reasons as to why, how and where these intermediate ports should be developed.

India has a coast-line of nearly 3,500 miles, but the number of ports, both major and minor, is very inadequate when compared to the western and other advanced countries. A judicious and equitable distribution of ports is needed if the country has to advance as a whole. I shall confine myself to the development of ports so far as Mysore is concerned while I agree with Shri T. B. Vittal Rao that ports on the east coast also like Kakinada and the rest must also be developed.

As was pointed out by Shri T. B. Vittal Rao, it was a long-cherished ambition of Mysore State, even before the States Reorganisation Act came into being, to have a port of its own. Bhatkal was then thought of. Sir M. Visveswarayya and other statesmen who followed him tried their best to see that Bhatkal was developed as a major port. But due to various reasons that scheme could not be pushed through. Then there was the States reorganisation and we, to our good fortune, acquired a coastal territory, a coastal strip, of more than 200 miles with two undeveloped ports at Mangalore and Karwar. Since then we have been urging on the Government of India to take immediate steps for the development of these ports. It is true that a number of committees have been appointed. There was the Hoffman Committee which recommended the development of these ports. Then there was the West Coast Major Port Development Committee which recommended the development of certain ports. And now there is the report of this Committee. But unfortunately all these recommendations have been shelved and put aside and the position remains the same. I am afraid that the report of this Committee also will go into cold storage.

Nature has endowed this country with rich mineral deposits and iron ore is the most important of them. Iron ore is found mainly in two areas: Bihar and Orissa and in the adjoining States. It is also found extensively in the State of Mysore including Bellary and Kemmanagundi and roundabout Bhadravati. The ore found in these areas is also of a very high grade, and there has been a demand from many countries, and many countries have entered into agreements with us to purchase our iron ore. So, India has now become the main supplier of iron ore to countries both in the east and in the west. Japan has placed orders for a considerable quantity—for over six million tons.

Mr. Chairman: There are about 13 hon. Members who have expressed their desire to speak. The time allotted is only two hours.

[illegible]

Shri P. K. Deo (Kalahandi): I also want to speak.

Mr. Chairman: It is absolutely impossible. There are 13 hon. Members who have already sent their chits. So, I would request hon. Members to confine their remarks to the most essential points which they would like to underline. Then, we would be able to hear almost all those hon. Members representing different States.

Shri Mohammed Imam: I am one of the Movers of the motion.

Mr. Chairman: I know, and that is why I have called him earlier.

Shri Mohammed Imam: I require some indulgence about these matters because a port is the life-blood of our State, and we are intimately connected with the Mangalore port which is very important. That is why I crave your indulgence to give me more time.

Mr. Chairman: I shall give the hon. Member ten minutes. The Mover of the motion has not been given more than 14 minutes. All other hon. Members will kindly confine their remarks to seven or eight minutes each.

Shri Raghunath Singh (Varanasi): I would require only five minutes.

Mr. Chairman: The hon. Member's name is not with me.

Shri Raghunath Singh: I am sending the chit.

Shri Mohammed Imam: So, five minutes have been lost now! I was referring to Japan. Japan is one of our main importers, and it gets all the ore from the ports on the eastern side. Apart from Japan, many countries from Europe including Czechoslovakia, Poland, Rumania, Italy, etc. have all placed orders or are intending to place orders with us, and they have made one condition in order to save the oceanic traffic freights, they insist that the ore must be supplied from a western port. Secondly, they also insist that the port facilities at Karwar and Mangalore must be such that they can berth heavy vessels which can carry large quantities of the ore, say, at least vessels of 14,000 tons. Another advantage which they offer is that they are prepared to go into negotiations and purchase low grade ore roundabout Mangalore. Otherwise, there would not be any purchase from that side.

Now, how is the ore moved from Bellary-Hospet area and from the Kemmanagundi area? Bellary and Hospet are within 200 miles of the Karwar port and about 280 miles from Mangalore port. But for want of railway facilities and due to various other disadvantages at the ports of Mangalore and Karwar, the ore is to be moved to Bombay which is 500 miles away or to Cuddalore which is far away—though I do not grudge Kakinada—or to Madras which is 350 miles away or to Cuddalore which is also about 400 miles away or to various other ports which are far away. As compared to these ports, there are ports which are immediately situated, within the vicinity of the mining area such as Karwar which is 180 miles from the Bellary-Hospet area which supplies nearly six million tons of ore, and Kemmanagundi and Bhadravati are only 100 miles from Mangalore port. Yet, we have to send the ore to a distance of more than 400 miles. We can imagine what is the cost. The transport cost alone will come to nearly Rs. 30 a ton, whereas if the same ore is sent to Mangalore or Karwar, the cost can be reduced by nearly 50 per cent.

That is the situation. Now, what is to be done? The best way of diverting this ore to the nearest western port from which the western countries can purchase the ore, is to link up the railway system. The ore cannot be moved to these ports now, because the railway line, in spite of our repeated demands, has not been laid. I do not know whether the delay is deliberate or otherwise. From Hospet to Hubli, it is 82 miles, and there is a railway line in between. From Hubli to Karwar, it is 90 miles which has not been linked up by a railway line. We have been asking for a railway line to be laid from Hasan to Mangalore which is a distance of 130 miles, but that demand is being ignored persistently. That is why I say there is an attempt to force all this ore to be taken to far off distances, to other ports on the east coast, at the cost of Mysore. I must state very reluctantly that there has been a deliberate attempt—at least-circumstances warrant us to say so—to divert all this ore to other—far off ports at the cost of the State of Mysore. I shall give only one or two instances. For example, only two rakes are provided between Karwar and Hospet and they refuse to provide more. But four rakes or six rakes are provided from Hospet towards Bombay and Madras. There has been a scheme to change into broad gauge the line from Hospet to Guntakkal. There is a scheme to introduce a double line from Guntakkal to Renigunta and from Bangalore to Jolarpet. There is also a scheme to add a third line from Ernakulam to Madras. All these schemes are with the deliberate object of diverting this ore towards the eastern coast and shut of the ports on the western side.

I know that the Rumanin Minister wants to conclude a deal for 1 million tons of iron ore. The Italian Government will soon send their delegation, but they insist that the ore must be delivered from the western coast, spread over five or ten years. But I understand the Planning Commission again insist that they must take delivery only from the eastern ports. On the other hand, if they supply only three railway links and develop the ports of Mysore, much of oceanic frights will be saved. A distance of thousand miles by sea will be saved and the cost will be less. I would just point out the advantages of these three railway links.

The three rail links are, apart from the Hassan-Mangalore line, a link connecting Karwar with Hubli, a link connecting Kottur with Harihar and a third link connecting Raydurg with Chitaldrug. The first advantage will be there will be uninterrupted train connection to Mangalore. The distance between Karwar and Hubli will be only about 80 miles.

15:52 hrs.

[MR. DEPUTY-SPEAKER *in the Chair*]

From the financial point of view also, it will be advantageous. Ore can be supplied to western countries from the port on the western side, provided the harbour to be created has a wharf of 30 feet draft. Also, this will be the only place where you can export low grade ore. If this facility is not created, you can never export low grade ore.

The scheme of providing double line from Madras Hospet to Guntakkal, from Guntakkal to Renigunta and a third line from Arkoram to Madras will cost us about Rs. 21 crores and the return will be only 3·5 per cent. On the other hand, it has been worked out by the Railway Board that the entire scheme of linking up Hubli with Karwar, Kottur with Harihar and Raydurg with Chitaldrug will cost only Rs. 19 crores and the return from the same will be 8·35 per cent, whereas the return from the other scheme will be only about 3·5 per cent.

The development of the port requires only Rs. 10 crores to Rs. 11 crores. By spending Rs. 10 crores, the net return will be about Rs. 45 lakhs. So, if the rail links I have mentioned are provided and if this port is developed, it will be very advantageous from the point of view of supplying ore to the west. It will be a remunerative one, because the cost is less and the return will be much more.

I must point out that the State of Mysore has been very badly neglected in the second Plan. There has not been a single new reservoir near any

[Shri Mohammed Imam]

major plant nor any railway link. Until the rail links I have mentioned, are provided and until Karwar and Mangalore ports are developed, the iron ore will remain conserved hereafter and we will not be able to export it.

Shri Supakar (Sambalpur): Mr. Deputy-Speaker, Sir, the Intermediate Ports Development Committee has rightly laid great stress on the importance of iron ore export. In chapter II, at para 2 the report says:

> "Indian iron ore has increasingly become one of the major items of export trade. The geographical position of India enables her to become a base source of supply to the Japanese steel industry as well as to the developing steel expansion programme of the East European countries and Western Europe. The qualities of iron ore available for export are suitable for use in the open hearth as well as blast furnace. They compare favourably with the qualities available in other major sources like Brazil, Canada, Sweden, Chile and North and South Africa. India has considerable deposits, especially in areas where the prospect of setting up large steel plants are not immediate. For a period of ten to fifteen years at least, beginning from 1960-61, it should be possible to export very substantial quantities of iron ore in order to earn foreign exchange as well as to develop in the process, the transport and other facilities in the areas concerned."

It is well known that Orissa is the largest producer of iron ore in the whole of India. It has fed the Tata Iron and Steel Company for the last 50 years. It supplies and shall continue to supply ore to Rourkela and Durgapur. Orissa will supply from the Kiriburu iron mines iron ores to Rourkela and sufficient ore for export to Japan at the rate of 2 million tons per year, through the Vizagapatam port. But Kiriburu is so close to Rourkela that though the stock of ore is very large, there is need of conserving the stock.

The Japanese are very much interested in the export of iron ore at Sukinda in Orissa. There is no likelihood of any big scale blast furnace or steel mill being located there in the near future and that area has a deposit of about 130 million tons of iron ore. Some of these ores are being worked at present and the average iron ore content is over 65 per cent. So, this area alone, if properly developed, can provide export for more than 50 years, if we have a programme of exporting 2 million tons of iron ore to Japan from this source. The proper and the nearest port for this export is Paradip.

Paradip was declared a minor port in January, 1958. We from Orissa have been pressing for its development into a major port since 1957 and though the Government of India have been extending help for its development, it is time the Government of India in the national interest took a more rapid stride for its development by giving it top priority in the development of this port.

Previously, I have pleaded more than once for conversion of Paradip into a major port. In 1951, the French expert mission which investigated the port problem in Orissa remarked:

> "We consider that there is no question whatever that a great port can develop and thrive at the mouth of the Mahanadi river. It should be noted that to the advantages derived from cheaper inland water transport would be added the lower working and maintenance cost of such a port in comparison to those of the neighbouring ports. Indeed the cost of dredging and maintenance of the works would be much less than is the case at Calcutta where expenditure on dredging and upkeep is very high."

It is also well-known that the technical and engineering problems of developing this port has been examined by the Poona Research Station and the Japanese firm, Messrs. Kinoshita & Company Limited of Tokyo, have also carried out at the Institute of Industrial Science, University of Tokyo, model experiments on the Paradip Port, with very encouraging results. These studies indicate the feasibility of constructing an all-weather port in Atharabanki creek near the Mahanadi estuary which will combine the advantages of estuary harbour, as suggested by the French Mission, and a coastal harbour recommended by the Poona Research Station. The cost will be only Rs. 9·5 crores. I am glad that the Government of India is allotting Rs. 99 lakhs for the development of this port for the first priority works and Rs. 55 30 lakhs for the second priority works during the Third Five Year Plan, and I hope that this work will be completed long before the end of the Third Five Year Plan, and I thank the Ministry of Transport for the same.

16 hrs.

But there is, to my mind, the need and urgency of developing this port at a much quicker pace. I have spoken of the vast resources of iron ore of Orissa which only waits to be exported to earn the much-needed foreign exchange. If we could develop Paradip as early as possible, it could export iron ore alone to the extent of two million tons per annum, not to speak of other materials like manganese and chromium of which Orissa has abundance, but also agricultural produce like jute etc.

One very important reason for the urgency of developing Paradip as a major port is the congestion of Calcutta port and the difficulty faced by the Calcutta port on account of the gradual silting up of the river. It is a well-known fact that large ships cannot even now enter Calcutta port unless they drop a part of their cargo on the way. Visakhapatnam port has also its limitations. And Orissa, the Cinderella State, has all along been neglected in the matter of development. Therefore, when India gets so much benefit out of the raw materials from Orissa, India has a duty to recompense it by making up Orissa's leeway in developing the port of Paradip.

It is a pity that the railways have not spared any money in the Third Five Year Plan for linking the Sukinda mines with the Calcutta-Madras railways—a distance of only 17 miles—which could have considerably reduced the cost of transport of iron ore from the mine to the port. But, I am sure, from the overall national interest, the Transport Ministry will prevail upon the Railway Ministry to find enough money to link Sukinda with Cuttack and Cuttack with Paradip by railways at an early date, so that not only ores could be transported cheaply from the mines to the port, but also relieve much of the congestion on railway goods traffic in the South Eastern railway, which they are at present facing.

It is a paradox that when one asks for development of port and commerce, the bogey of hinterland is raised. Without railways, a hinterland, however rich, cannot be developed, and when we ask for development of railways, they plead for want of funds. I am afraid it is time that a broader and more national outlook is brought to bear upon the overall development of the country. I am quite sure that if the railway communications, as stated above, are provided, and the Paradip port is developed early, it will pay back the investment in a very short period of time, because Orissa is potentially one of the richest, though one of the least developed, States of India.

Some hon. Members *rose*—

Mr. Deputy-Speaker: Shri Aurobindo Ghosal. I am calling four

[Mr. Deputy-Speaker]

sponsors of the motion from four different States.

Shri Raghunath Singh: Anyway, this side also should not be neglected.

Shri Goray (Poona): U.P. has no port.

Shri Raghunath Singh: But we are exporting and importing things.

Mr. Deputy-Speaker: They too are interested in ports.

Shri Goray: U.P. exports only politicians.

Shri Aurobindo Ghosal (Uluberia): Before I deal with the intermediate ports I would like to refer to the present condition of major ports. The major ports are at present neglected; that is to say, due attention is not being given to them in the matter of further development. Bombay being a sea port, it has got some advantages and most of the import trade is conducted by this port. The condition of the Calcutta port is the worst, and within the last 15 years its condition has deteriorated to a great extent. Before the second world war even ships of 16,000 tons could come to Calcutta. Even about 10 years ago ships of 10,000 or 12,000 tons could come to Calcutta port. Now the condition has deteriorated to such an extent that even ships of 6,000 tons cannot pass through it.

One of the reasons for this is that adequate numbers of dredgers are not provided. Recently the number of dredgers was increased from two to four. But, recently, after the sinking of one dredger, it has come back to three. Moreover, the up-to-date method of depositing the spoils outside the river has not yet been adopted. The Farraka Barrage for the supply of water has not yet been taken up. Naturally, what happens is that when even the major ports are being neglected they canot serve the country and they cannot serve their full capacity and much of their capacity will remain unutilized. So, our attempt should be, first of all, to utilize the working capacity of the major ports.

Regarding the intermediate ports, Government have appointed a committee which has submitted its report in 1960. The development of most of these ports is dependent on the export trade of iron ore. Government thinks that there is a reasonable prospect of 130 lakh tons of iron ore export a year by 1966-67, which is likely to go up to 150 lakhs tons a few years later. So, the main job of this Committee was to see that the capacity of intermediate ports is increased to export 150 lakh tons of iron ore.

The Committee reviewed the case of 19 ports and suggested necessary development in each case. After considering all aspects, the Committee has recommended development of Tuticorin and Mangalore in the category of first priority and Paradip and Porbandar in the category of second priority for developing them into all-weather deep draft ports. If we look into the details as mentioned in the Report, we find that they have got justification behind their recommendation, except in the case of one port, that is, Paradip. Because, Paradip has got immense possibilities. The total exports envisaged immediately after the commencement of export under the Baila-dilla project in 1966-67 in export of iron ores is expected to rise to 15 million tons per annum. This is, of course, besides 6 million tons of iron ore which is to be exported from Baila-dilla and Kiriburu deposits to be supplied to the Japanese steel industry through Vizag.

India has got a huge coastline and at least 8 States have sea outlets, *e.g.*, West Bengal, Orissa, Andhra, Madras, Kerala, Mysore, Maharashtra and Gujarat. In my opinion, the Government should try to develop at least one port in each of the States in the beginning. This is not only for satisfying the psychological hunger for a port because it has got other advantages; Firstly, the utilisation of the minerals will be made; secondly, it will help the States to develop their industries and much of their industrial disparity will be removed; thirdly, export trade will be intensified and, lastly, the cost of conveyance of commodities will be cheaper, the hinterland being contiguous.

The main hindrance in the development of aport is its railway link and road link with its hinterland.

Most of these intermediate ports have got no rail link and some of them have got no road link also. Then, the jetty, the docks and the workshop are the main minimum ingredients which are to be supplied for developing a port even of the category of an intermediate port.

Then, regarding Haldia—it is not included in this report—I may submit that whenever we raise the issue of Calcutta Port, we are always pointed towards Haldia. But I do not know what is the real purpose of the Government. Do they want to develop it? If so, will it serve as a subsidiary port to Calcutta or as an alternative port, or as a minor or intermediate port? I have no objection to the development of Haldia. But as there is no rail link like most of the other intermediate ports; so it will not be a very economic one because in developing the intermediate ports we must look into its possibilities also. Whether it will be economically sufficient or at least has got the prospects of economic sufficiency has got to be looked into.

What is happening in Calcutta? Shippers are afraid of Calcutta port. If any merchant has got to bring his cargo through Haldia, what has he got to pay? The charge per ton is Rs. 4 in Calcutta Port, whereas in Haldia the stevedoring charge is Rs. 7 per ton plus the carrying expenses by a lighter at the rate of Rs. 15 per ton. Thus the total amount comes to Rs. 22 per ton. The net increase per ton comes to about Rs. 18. So the financial aspect has got to be considered in developing intermediate ports also.

Lastly, I would request the Government to exploit the offer, if made by any foreign country, to develop any particular port as against the utilisation of ores. Japan is perhaps willing to spend for developing Paradip Port. Some private firms of Italy and West Germany have expressed their desire to develop Mangalore port, that is, they are agreeable to give the foreign exchange that will be required for developing Mangalore Port. Therefore Government should see that at least one port in each State can be developed without delay so that all the areas, at least the coastline areas, can be industrially developed. Not only if there are industries they help the development of a port, but if there is a port, it also helps the growth of industries.

I request the Government to see that the report is implemented without delay.

Some hon. Members *rose*—

Mr. Deputy-Speaker: How long is the hon. Minister likely to take?

The Minister of State in the Ministry of Transport and Communications (Shri Raj Bahadur): Keeping in view the magnitude of my task and the galaxy of hon. Members who are expressing their opinions on this, I think I will hardly be able to contain my observations in less than 20 minutes. So at least 20 minutes may be given. It may be half an hour.

Shri Supakar: May I request you to extend the time?

Mr. Deputy-Speaker: He might ask those hon. Members who have given notice of the half-an-hour discussion to take less. They have to take an hour. He might persuade them to take less. Shri Alva.

Shri P. K. Deo *rose*—

Mr. Deputy-Speaker: I have called Shri Alva.

Shri Joachim Alva (Kanara): Sir, I am exceedingly grateful to you for having called me because on the last occasion when I wanted to speak about the Karwar railway line you also gave me a chance.

Mr. Deputy-Speaker: Now I have learnt by my experience that even seven minutes for each hon. Member would be enough for this discussion. Therefore the time limit would be seven minutes.

Shri Joachim Alva: Sometimes it may exceed by three minutes, so it will make ten minutes.

I want to speak on behalf of Karwar and about Bhatkal incidentally and even about Malpe, which have been ignored, on the West coast. The terms of reference of the Committee for selection of intermediate ports were—

> "broad national considerations as well as regional requirements; and engineering aspects with emphasis on economy of construction and maintenance;. . ."

I suggest that we satisfy these two clauses of the terms of reference of this committee.

During the last ten years three committees had been appointed by the Government of India. The first committee was the Port (Technical) Committee of 1946 which recommended Bhatkal. It said:

> "The Committee concluded that the construction of a harbour at Bhatkal. . .".

It is again in my constituency:

> ". . . .was both an economical and a good financial proposition and felt that this development was essential for providing a good outlet for the trade of the large and rich hinterland of the Mysore State lying behind it."

In 1948 the West Coast Major Port Development Committee was appointed. They had to find out a deep sea port between Marmagoa and Cochin. They said that Malpe is the harbour meant for us. They recommended Malpe. They placed Karwar first, Bhatkal second—both of them are in my constituency—and Mangalore last. That Committee gave half a dozen reasons why Malpe should be a full-fledged port. I was born in Udipi near Malpe. I want to know why Malpe and Bhatkal which had been recommended by two important committees of the Government of India were ignored and why suddenly the wise men of the Matharani Committee set up in 1958 said that Karwar is nothing, Malpe is nothing and Bhatkal is nothing. They fall in love with Mangalore. It is the case of a father wanting to marry a daughter when there is no daughter in the household. If I have no daughter and if the son-in-law is very attractive and he has a lot of money, I will provide a daughter by adopting my brother's daughter or even steal somebody else's daughter! When there is a girl to be married with all the attractions of the bridegroom, you want to get a bride from outside the circle as you happen to possess none yourself. That in short is the case of Mangalore.

Mangalore has no port worth the name. They want to spend Rs. 12 crores on the port of Mangalore and call it an all-weather port, while they use the term 'Fair weather port' for Karwar. As I said on the last occasion when you were good enough to allow me to speak for which I am grateful to you sir, Karwar has been one of the greatest harbours of the world. Poet Tagore fell in love with it. Karwar is only less than 20 or 25 miles from Dandeli across the waters in my constituency and Dandeli has sprung up as one of the largest industrial towns in the south. There is a very large paper factory manned by my esteemed colleague, Shri Somani. Then there is the plywood factory. There is a ferro-manganese factory which is one of the largest of India. We have got a paper factory one of the largest in Asia. We command more labour in our these three factories than perhaps all the factories of Mangalore put together. I know that the tile factories of Mangalore are small units with a few curing factories.

I want to know how you decided in favour of Mangalore. I charge the Government of India that by clever manipulation with the Planning Commission, the Railway Ministry and the Transport Ministry—they may be doing it deliberately or indeliberately—they managed to put up Mangalore. If there is no railway for Hassan there, let us construct a railway for Mangalore. If there is no harbour, let us spend Rs. 12 crores for that. How does the money come here? In Karwar everything is arranged by nature, with a readymade harbour. If you spend less than Rs. 5 crores, you will have a harbour which perhaps will be the best on the west coast.

The Rumanians, the Italians and others who have come to this harbour have said, "We shall give you the wherewithal. We shall give you the material for the harbour and for the railway." In return they want our manganese or iron ore. They asked the Government of India and the Government of Mysore. Yet, everybody turns a deaf ear. Why and how did the men of the Matharani Committee, forgetting the recommendations of the past two important committees appointed by the Government of India, say all this about Mangalore then make Karwar only a fair weather port. It is like providing a tailore-made suit, getting the tailor, buying the cloth and giving everything when a man has already got an excellent suit. I cannot use more figurative language than is placed at my disposal. The Matharani Committee has been grossly unjust to the Karwar Port. They know nothing. I want to mention that they want to spend Rs. 12 crores for the Mangalore port where ships cannot be berthed because it is not an all-weather port. How can you provide that money? Where is the Rs. 12 crores to come from, when even Rs. 2 crores are not provided for each place? We can spend less than Rs. 5 crores on Karwar. It is a gross injustice done by the Government of India deliberately or indeliberately with the combination of the Planning Commission, the Matharani Committee, the Railway Ministry and the Transport Ministry all put together. You are giving everything for Mangalore when Mangalore should not get a farthing for this project.

I have been educated in Mangalore. I belong to Mangalore. The veteran and experienced hon. Minister of Transport and Communications Dr. Subbarayan has been married to a very dignified lady, who alas is no more and who was the first woman member of the Central Legislative Assembly. Even he has thus a good connection with us. I would like him to pay a visit to my constituency and see that justice is done. We have got iron ore coming. We have got manganese coming. We have got such an amount of timber. Nepal, Karwar and Assam have got the wealthiest and the thickest forests of the land. The Western India Match Factory gets all the timber for its matches from Karwar. Everything you get from there. We have solid gold under our feet. We are ignoring that. We are not getting from the Railway Ministry a little railway of 20 miles from Dandeli to Alvaver. We would like to have a railway line to Karwar to Hubli a distance of 120 miles, less than Mangalore Hassan Railway. We are not getting it. In Shri Somani's factory, huge quantities of first class paper could not be moved because the Dandeli—Alvaver railway line would not be handed over to Union Govern-

[Shri Joachim Alva]

ment. We are not doing it. How can we get along? This kind of manipulation by government officials on political considerations is entirely wrong. It is time that we exposed it. It is because the Karwar people are dumb and have not got the mouth to speak, these things are going on.

When the British experts came from England to advise us regarding a shipping site and also to survey the Karwar harbour, the programme was drawn up in such an unjust and improper manner that these worthy gentlemen whom I entertained twice here in Parliament House with Mysore M.Ps, said, they had no time to see the harbour of Karwar and they stayed only one night. I wrote to the Government, why were these experts brought from England all the way and not allowed to see the Karwar harbour properly and packed them off to some other place to write a report on some other harbour. These are the injustices that we are suffering from.

I thank you Sir, and I am grateful to you for giving me the opportunity to speak, not once, but twice. With these few words, I sit down.

Shri C. R. Pattabhi Raman (Kumbakonam): Sir, it is admitted on all hands that for a country of the size of India, the number of ports is negligible The geographical feature of India with the peninsular structure is such that, starting from West Bengal on the eastern side and ending up with Bombay, five or six States are concerned with ports. But, really, it has to be looked at from the national point of view.

So far as traffic bottle-necks are concerned, sufficient has already been said. For how many days, how many ships wait in the Madras harbour for unloading! For days on end, they wait and they get no chance for unloading. This is what is happening in the Madras port. On account of the shortness of the time, I will deal with only four ports on the eastern coast of the peninsula.

I shall first refer to the ports of Negapatam, Cuddalore and Tuticorin. So far as Cuddalore is concerned, a lot of export is taking place. The quantity of iron ore is 5 lakh tons as will be seen from page 8 of the Report. That has increased much more. Nothing much has been done for a number of years. Of course, the port is being kept up as a port of a kind. That is hardly enough for Madras, because Neyveli is coming up. Both Negapatam and Cuddalore are going to be very very important as soon as lignite production starts. I have no doubt that in the hands of our able Ministers, these intermediate ports will receive immediate attention. I knew that recommendations have been going on to the Planning Commission and priorities have been given. I find that the first priority was given to Tuticorin. On page 142 . . .

Shri Achar (Mangatore): Equal priority to Mangalore and Tuticorin.

Shri C. R. Pattabhi Raman: I am grateful to you. I am very sorry. I am quoting I wish you are right. On page 142, it is said:

> "First priority Development of a 30 ft. harbour at Tuticorin with Rs. 1027 lakhs."

Second, Mangalore, 34 ft. harbour....

Shri Achar: If I may be permitted, that is not correct. In the introduction they have said, we have gone according to the geographical order, and we have given equal priority for both. It is only a geographical order. Because they started from Paradip, they have proceeded like that.

Mr. Deputy-Speaker: I had been told that Shri Achar gave up his turn to Shri C. R. Pattabhi Raman. I learn that perhaps that was wrong.

Shri C. R. Pattabhi Raman: I have to go by chapter and verse. Again, on page 127. I do not want to enter into an agrument with my friend. Both of us should succeed and benefit. That is not the question. I am referring to the South Indian intermediate ports. I think, on page 127, the same thing is reported, first and second priority. I have referred to Cuddalore and Negapatam. There is one port at Thondi. These are all neglected. So far as Negapatam is concerned, a lot of betel nut export is taking place to the far east. There is also a lot of import. I am not ignoring the passenger traffic. As you are aware, in Singapore, Malaya and other places, there are lots of South Indians both as businessmen and plantation labourers. They are coming and going back, and so there is a lot of passenger traffic also. There is also traffic, both goods and passenger, with Ceylon.

So far as trade with Tuticorin is concerned, here I may take a leaf from my good friend Shri Achar. The report says it was 7 lakh tons. I am glad to say it is 10 lakh tons now. There is a cement factory at Tazhaiyuthu, there is also iron ore export from Tuticorin. The Dharangadhara chemical factory has come near Tinnevelly. So, for all these exports....

Shri Thirumala Rao (Kakinada): Can you give us the break-up of that 10 lakh tons, how much is internal and how much is external trade?

Shri C. R. Pattabhi Raman: I do not want to give the figures and take up time because I will be intruding on my colleagues' time, but you can kindly refer to page 41 of the report. The break-up is given in the Appendix.

It is really very difficult to condense what I have to say. It is a great pity that in spite of the Planning Commission having taken note of it, we find that in the Third Plan nothing is being provided so far as Tuticorin is concerned except investigation processes. We must have Tuticorin port for various reasons. Particularly, Ceylon will have much greater respect for us and our conditions if there is a first class port at Tuticorin. And it is easy to have it, because the Bristow Committee started on it early in 1924 and there was also the Palmer Committee appointed. They went into the dredging process. It has been fully investigated, and I do not know what further investigation is necessary. If the Sethusamudrum project also comes into force, 362 miles will be saved. I wish to give some figures about the Sethusamudrum project which may astound the House. At page 39 of the report, this is what they say so far as this project is concerned. I beg of you to give me some little time.

Mr. Deputy-Speaker: I am very sorry. He may refer to it some other time. He can give the reference only now, because it will take so much time.

Shri Joachim Alva: According to the Committee, Karwar does not need dredging.

Shri C. R. Pattabhi Raman: If I am treading on your corns, forgive me. I am not saying Karwar should not be developed. I am not saying Tuticorin should be developed at the expense of Karwar. I sincerely hope you will get Goa alo. When that comes, it will be much better.

Mr. Deputy-Speaker: Karwar has already been developed. Now some other ports are to be developed.

Shri C. R. Pattabhi Raman: The Committee at page 39 says:

> "If the Sethusamudrum Project is designed and executed on the lines recommended by us and if the charges levied on ships were also fixed in the manner recommended by us, we estimate that the number of ships using Sethusamudrum Navigation Route will be 1,613 per annum. The aggregate total tonnage of shipping using the Canal each year will be approximately 107 lakhs of GRT or 64 lakhs of

[Shri C. R. Pattabhi Raman]

N.R.T. and the benefit derived by such shipping will be as vollows:

> (i) A saving in distance up to maximum of 362 miles; and consequently a saving in the time of voyage of a day or a day and half; and
>
> (ii) a more sheltered passage throughout the year."

What actually happens is that our ships have to go round Ceylon. This Sethusamudrum will be a fine canal. It will cut the distance by 362 miles.

Mr. Deputy-Speaker: The hon. Member should conclude now.

Shri C. R. Pattabhi Raman: I only want two more minutes.

Mr. Deputy-Speaker: From seven minutes, once I have extended by two minutes. Another two minutes cannot be extended.

Shri C. R. Pattabhi Raman: I am glad the hon. Minister in charge of ports is also in charge of the roads. I hope he will bear in mind that the east coast road from Calcutta to Cape Comorin is an absolute *sine qua non*. What is the use of having any ports unless you have also first class all-weather roads which will carry all the traffic? It is a very great pity Tuticorin has not been given proper attention.

Mr. DeputySpeaker: In spite of my refusal the hon. Member has utilised the other two minutes.

Shri C. R. Pattabhi Raman: I am very grateful to Shri T. B. Vittal Rao for initiating this discussion.

Mr. Deputy-Speaker: Shri Goray.

Shri C. R. Pattabhi Raman: About Tuticorin there is a lot of feeling in Madras State.

Shri Raghunath Singh: All the ports are in the South, not in the north.

Shri C. R. Pattabhi Raman: But there is no development. What is the use of having ports without development?

Shri Goray: I am very grateful to you for giving me this opportunity.

Mr. Deputy-Speaker: But, unluckily, he will have only seven minutes.

Shri Goray: I shall try to say as much as I can within those seven minutes.

While reading this report, my first impression was that though the terms of reference were comprehensive, the report was written from a point of view which gave too much consideration to the iron ore that India was likely to export. But even taking that factor into consideration, I feel that we have neglected our ports to a very great extent. I have before me here a note submitted by the STC in which it has been pointed out that whereas in 1959-60 we exported 28 lakh tons of iron ore, the target for 1965-66 is about 7 million. The note goes further and says that if proper efforts are made, the target can be raised to 9 million tons too. We are just now exporting only 28 lakh tons of iron ore. I would like you to consider whether we are likely to reach that target at all within the next five or six years, taking into consideration the neglect with which we are treating our ports.

I do not want to be parochial and say that only the ports in Maharashtra should be developed, but I would certainly say that if you want to bring about a dispersal, then not only the ports like Calcutta or Madras or Bombay should be developed, but equal care should be taken to see that alternative ports are developed, whether they be on the East Coast or on the West Coast. So, I am entirely in agreement with my hon. friends from Orissa and Madras and Andhra Pradesh and other places that their ports also should receive proper attention.

I would like to plead for a few ports in the Maharashtra State. I have before me here the 30th report of the Estimates Committee of the State of Maharashtra, in which they have pointed out that even the sums that were sanctioned have not been spent. Whereas about Rs. 75 lakhs were sanctioned, only Rs. 2 lakhs have been spent so far. The hon. Minister may very well say that, after all, it is a State subject, and therefore I cannot deal with it. But when the ports are neglected in the way they are being neglected just now, the Central Government have to decide ultimately, because it is our export trade that will suffer thereby. Therefore, my first plea would be that the Central Government should see to it that the State Government also expend the sums that are allotted and see to it that the ports are properly developed, and if by some accident or by negligence, the development of the ports is suffering, the Central Government should intervene, and the State Government should be compelled to see that the development of the ports is carried out according to schedule.

The Maharashtra State has a small port at Redi, and that port is capable of being developed into a good port. Fortunately, in the hinterland, very near the port, there are iron ore deposits. The STC in the note submitted by them say that about 50 to 60 million tons of iron ore would be available. If you consider that only one lakh tons are being exported from that port, you will understand how much lee-way we have to make until we come up to the target. According to the STC, the target is that we would be able to export about half a million tons of iron ore per year, but just now, we are exporting only one lakh tons a year. So, we have to multiply this five times before we can reach the target. That target, you will agree, is a very modest one and we are not reaching even that.

Therefore, taking into account the conditions in Reddi, I wonder whether it will ever be possible for our State Trading Corporation to reach that overall target which they have fixed for 1965-66. The development of Redi will not cost much. They have said that it will cost about Rs. 10 lakhs because 400 ft. of wall and wharf are to be provided so that iron ore could be exported easily. Even that has not been done. I was told by a friend who came very recently from that part, that so far nothing has been done by Government. I am really very sorry to say that this rate of expansion and development will take us nowhere. Iron ore is one of the commodities with which our country is blessed and if we really want to earn foreign exchange, we must see to it that this particular commodity which we have in abundance and which is in great demand throughout the world reaches those countries which want it. Unless we develop port facilities, we will not be able to fulfil that target.

The other port about which I would like to talk is the port of Ratnagiri. Here it is not only the iron ore—because there is very little of it—but the passenger traffic and other goods traffic. I may mention that Ratnagiri mangoes are very famous and they are finding foreign markets. We should not concentrate only on iron ore. There are other things which we can export and which can find a good market. Therefore, the Ratnagiri port also needs to be developed and turned into an all-weather port. Here also, only a meagre sum of Rs. 15 or Rs. 20 lakhs is required. But that also is not forthcoming, either from the State Government or from the Central Government. I do not know whether as my hon. friend Supakar said, Orissa is the Cinderella. But Ratnagiri district is certainly the Cinderella of the Central Government. It is one of those backward areas which can be developed and which is a potentially rich area, but because there are no railways and no roads and because the harbour is not being developed, it is backward and it has to remain so. My plea is that when you are having the total picture of the whole of India before you, take such steps as will allow the western

[Shri Goray]

part which belongs to Maharashtra to play their proper part in the development of the country.

Mr. Deputy-Speaker: Shri Raghunath Singh. He is interested in shipping.

An Hon. Member: He is from U.P.

Mr. Deputy-Speaker: Therefore, he can have a dispassionate view about the subject.

श्री रघुनाथ सिंह : उपाध्यक्ष महोदय, मैं इस प्रश्न पर एक दूसरी दृष्टि से विचार करना चाहता हूं । सवाल यह है कि रेलवे स्टेशन्ज होने चाहियें, या पोर्टस होने चाहियें । अगर हम इन्टरमीडिएट पोर्ट्स चाहते हैं, तो उस के लिये कोस्टल शिपिंग जरूरी है । अगर वह नहीं होगा और कोस्ट में कारगो नहीं होगा, तो हम फिर इन्टरमीडिएट पोर्ट ले कर क्या करेंगे ? आज हमारा कोस्टल शिपिंग मर रहा है । इट इज प्रैक्टिकली डाइंग । इस क्षेत्र में जितनी भी कम्पनियां हैं, वे अपने कारोबार को बन्द कर रही हैं । यहां तक कि वे कोस्टल शिपिंग के कारोबार को बन्द कर के ओवरसीज सिशपिंग में जा रही हैं । उस का कारण यह है कि कोस्ट पर जहां रेलवे लाइन हैं, उस के द्वारा शिपिंग के फ्रेट से कम फ्रेट पर सामान पहुंचाया जा रहा है । यहां पर साल्ट और कोल की बात कही गई है पहले सारा कोल और साल्ट कोस्टल शिपिंग से जाया करता था, लेकिन अब वह सारा शिपिंग से न जा कर रेलवे से जा रहा है । इसलिये यह विचार करना चाहिये कि अगर हम इन पोर्टस को जीवन रखना चाहते हैं, तो हम को यह भी विचार करना होगा कि इन को कैसे फीड किया जाये, कैसे उन को आमदनी हो, कैसे पर्याप्त कारगो की व्यवस्था की जाये और कैसे पैसेंजर्ज आयें आज रेलवेज के फ्रेट और कोस्टल शिपिंग के फ्रेट में जो युद्ध रहा है, उस का कोई न कोई उपाय होना जरूरी है : अगर आप कोस्टल शिपिंग चाहते हैं और इंटरमिडियरी पोर्टस चाहते हैं तो आप को इस समस्या का निराकरण करना होगा कि रेल में और कोस्टल शिपिंग में कम्पिटीशन न हो । वे दोनों ही भारत वर्ष के अंग हैं और दोनों ही से देश को लाभ होने वाला है । इस वास्ते दोनों में कम्पिटीशन का कोई सवाल ही पैदा नहीं होना चाहिये ।

हमारे भाइयों ने जितने भी आर्गुमेंट दिये उन सभी को उन्हों ने आयरन ओर के एक्सपोर्ट पर बेस किया है –

Shri Goray: That is not what we say; the report says that and we are discussing the report.

श्री रघुनाथ सिंह : आप मंगलौर को ही ले लीजिय । वहां पर चूंकि इटली और वैस्ट जर्मनी का इंटिरेस्ट हैं और चूकि वहां से आयरन ओर एक्सपोर्ट होना है, लिहाजा वे लोग अपना रुपया इनवैस्ट करने के लिये तैयार हैं । पारादीप में चूंकि जापान का इंटिरेस्ट है और वहां से आयरन ओर एक्सापोर्ट होना है, इस वास्ते जापान उस पर रुपय इन्वैस्ट करने के लिये तैयार है । लेकिन मैं समझता हूं कि इस मामले पर हमें दूसरे ही दृष्टिकोण से विचार करना चाहिये । हम हमेशा ही आयरन ओर एक्सपोर्ट नहीं करते रहेंगे । हम जानते हैं और चाहते हैं कि पैरादीप का अवश्य डिवेलपमेंट हो और उड़ीसा के पास कम से कम एक तो अच्छा पोर्ट हो । लेकिन जैसा कि एक भाई ने कहा कि नागापट्टिनम् से पेनांग, स्वैटनहैम, मलाया और सिंगापुर को पैसेंजर सर्विस जाती है और हिन्दुस्तान के दो जहाज जाते हैं । जब ये जहाज जाते हैं तो उन को कोस्ट से तीन मील दूर खड़ा रहना पड़ता है कम से कम ५०० पैसेंजर्स पर वीक इन जहाजों से जाते हैं छोटी छोटी नावों में बैठ कर के लोग जहाज तक जाते हैं । इसलिये मैं प्रार्थना करना चाहता हूं कि नागापट्टिनम में पैसेंजर्ज और कारगो के लिये इंतिजाम होना चाहिये ।

तूतीकोरिन के बारे में जैसा कहा गया है कि सेतुसमुद्रम की स्कीम अगर पूर्ण हो गई तो तूतीकोरिन हिन्दुस्तान का एक बहुत बड़ा पोर्ट हो जायेगा । मैं चाहता हूं कि तूतीकोरिन को इस दृष्टि से प्रायोरिटी दी जानी चाहिये ।

मैसूर स्टेट का जहां तक सम्बन्ध है, मंगलौर पोर्ट की अभिवृद्धि होनी चाहिये और उस के लिये जितना रुपया दिया जा सके, दिया जाना चाहिये ।

अन्त में एक बार फिर मैं कहना चाहता हूं कि रेलवे और शिपिग में जो कम्पिटीशन है, इस को रोकने के लिये सरकार को कोई न कोई उपाय खोजना चाहिये । अगर ऐसा नहीं किया गया तो कोस्टल शिपिंग का देहावसान हो जायेगा और अगर कोस्टल शिपिंग समाप्त हो गया तो आप के इंटरमिडीयरी पोर्टस् भी चलने वाले नहीं हैं ।

Shri Assar *rose*—

Mr. Deputy-Speaker: I think Shri Assar's State has already been represented.

Shri P. K. Deo *rose*—

Mr. Deputy-Speaker: I think the hon. Member's State has also been represented.

Shri P. K. Deo: Some new points have to be developed.

Mr. Deputy-Speaker: There may be new points. I think Shri Kodiyan is for Kerala. I will call Shri Kodiyan now. Only five minutes.

Shri Kodiyan (Quilon—Reserved—Sch. Castes): Mr. Deputy-Speaker, Sir, I wish to confine myself to the Kerala ports referred to in this report. Neendakara has ben recommended by this committee to be developed as an intermediate port. The question of constructing a port at Quilon has been pending for the last 4 or 5 years. In 1956, the then Travancore-Cochin Government had proposed to construct a pier in the open sea at Quilon. But the Transport and Communications Ministry made an on-the-spot study and the study indicated that Neendakara some 6 miles from Quilon would be a better place for development as an intermediate port.

Then, at the instance of the State Government and at the instance of the Indo-Norwegian Project authorities, model experiments were carried out at the Poona Water Research Station and that indicated that there was feasibility of constructing a port both at Tangasseri near Quilon and at Neendakara. This committee has finally recommended that Neendakara wil be the suitable place for locating the port.

What I am urging now is this. Enormous delay has taken place in coming to a conclusion as to the place for the location of the port and this has adversely affected trade in the area. The present port at Quilon is a seasonal one. Due to uncertainty about the future of the port, even the normal repair work that is usually carried out every year has not been done. As a result of that, recently, ships calling at the port for unloading cashewnuts have been diverted to Cochin some 100 miles north of Quilon. This has rendered the local port workers unemployed. Not only that, the industrialists in the Quilon area have to meet an additional expense by way of transport charge from Cochin to Quilon. I would, therefore, request the Government to come to a speedy conclusion as to the place where this port is to be located. Whether the port is to be located at Neendakara or Tangasseri, the matter must be expedited and the work should start immediately.

I regret to find that the Committee has not recommended Beypore in Kerala to be developed as an intermediate port. I understand that some years back a special officer was

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deputed by the Transport and Communications Ministry to find out the possibility of developing an all-weather deep draft port on the western coast, and I also understand that that particular officer had recommended Beypore to be the most suitable place for being developed as an all-weather port. But the Committe has recommended only some additional development work at the Beypore port. At the same time, Sir, I find from the report that the Committee has recommended Porbandar in Gujerat to be developed as an all-weather deep draft port at an estimated cost of more than Rs. 5 crores. I am not against Gujerat or any other State developing their own ports, but I cannot understand the logic of recommending Porbandar to be developed as an all-weather port at a cost of more than Rs. 5 crores to cater to a trade estimated at about 3½ lakh tons and at the same time failing to recommend Beypore being developed as an intermediate port, because Beypore is also having a trade almost equal to that of Porbandar. Therefore, Sir, I would request the Government to examine the question of developing Beypore as an all-weather port.

Finally, I would like to bring to the notice of the House that as in all other matters in this also we find that the small State of Kerala is being neglected. Even in this case the same pattern or the same kind of discriminatory treatment is meted out to the State of Kerala, because I find that even a port like Cochin, which has been declared as one of the major ports in our country, has been neglected. During the Second Five Year Plan Rs. 5 crores were allotted for the development of Cochin. Even that amount was not fully spent—I think only Rs. 4 crores was spent. In the Third Five Year Plan, out of the total allocation of Rs. 75 crores for shipping and development of ports, I am really very sorry to say that only Rs. 75 lakhs has been allocated for the development of Cochin.

Shri Chintamoni Panigrahi: (Puri): Sir, may I put one question?

Mr. Deputy-Speaker: He can do that afterwards. Is there any hon. Member from Gujerat? I find none. Shri Thanu Pillai....

Shri Achar: Mangalore has been mentioned.

Shri N. N. Patel (Bulsar—Reserved—Sch. Tribes): Sir, I am from Gujerat.

Mr. Deputy-Speaker: He did not rise in his seat when I called.

Shri Achar: Sir, specifically the Mangalore question was raised.

Shri Raghunath Singh: Everybody supported Mangalore.

Mr. Deputy-Speaker: I was told that the hon. Member had given his turn to Shri Pattabhi Raman.

Shri Achar: He comes from Madras and I am from Mangalore. In fact, he spoke against me.

Shri P. K. Deo: Shri Imam has already spoken about Mangalore.

Mr. Deputy-Speaker: Now Shri Thanu Pillai.

Shri Thanu Pillai (Tirunelvelli): Mr. Deputy-Speaker, Sir, I am grateful to the Committee for having recommended Tuticorin which is a right decision, but I am very sorry that the Planning Commission has not been good enough to include it in the third Plan even. While the third Plan is going to entail an expenditure which is equal to that of the first and the second Plans together, the denial of this fundamental, basic, simple right—the necessity of the Tuticorin port which is not being included even in the third Plan—touches the feelings of our people very much, and I am lacking in words to condemn this sort of attitude in the matter. Nevertheless, I hope that better counsels will prevail and that Tuticorin port will be included in the third Plan, when the final Plan is ready.

The Committee has recommended Rs. 10.27 crores but the Ministry has recommended only Rs. 5 crores and odd. I do not know why they have cut it to half. It is perhaps to oblige the Planning Commission to facilitate their being able to give at least that amount. That only shows the anxiety of the Ministry to see that this scheme is implemented, but with just Rs. 5 crores and odd, we cannot be in a position to complete the project. When the project is taken up, we will have to complete it.

Out of this sum of Rs. 10 crores and odd, from the economics of savings alone, we will be making more money. The port is handling one million tons and it is expected to handle about 1½ million tons in the course of the next three or four years. The Committee has observed in the report that on the improvement of the existing port, to handle this cargo of one million tons, they will have to spend Rs. 3·4 crores which will be a sheer waste. Therefore, they have recommended that only an all-weather port will solve the problem. If an all-weather, deep-sea port is given, we will be handling petroleum, kerosene and diesel which are now being handled at Cochin port and transported by rail and road. There will be then a saving of Rs. 35 a ton.

According to this report itself, the Tuticorin port has got another special feature; that is, silting is the least or almost nil. All these favourable points should be considered. Of course, there may be other ports to be developed, but Tuticorin has to be given this priority, because of the existing cargo that is being handled and the cargo to be handled in the near future. From the economic aspect also, in the construction of the port, silting will be negligible.

Along with this, if the Sethusamudram project is taken up, there will be a saving on the round-tour also roundabout Ceylon. All the transhipment cargo is now being sent from India to Colombo, and there is always difficulty in handling them even in Colombo. Therefore, in that way, we are forced to neglect our foreign trade because of the incapacity of the port to handle the cargo. Madras port cannot handle even the cargo from the northern parts of Madras State, and the southern parts of Madras State have to be tied down to the existing port of Tuticorin and keep quiet. If you have to send all the cargo through Cochin and other ports, it will be prohibitively costly, and our export trade with other countries will thus be handicapped.

Coming to Nagapattinam port they have recommended only a small sum for it and that sum is not sufficient because a lot of passengers are going from Nagapattinam to Malaya and coming back, and the people have to go by boat for two or three miles.

Shri Raghunath Singh: Three miles.

Shri Thanu Pillai: Yes; it is difficult for the passengers to travel three miles by boat to reach the ship. It will be, therefore, better if the Government could consider the feasibility of deepening that part of the port and bringing the ships nearer to the shore.

In the report of the Committee, they have forgotten to mention anything about Colachel in Kanya Kumari district. This port is not linked to the mainland, either by rail or by any good road. Though it is a minor port, it is very important for the people there. There is a lot of dry fish and other commodities that are exported from there. But the Transport Ministry has allocated only a very small sum in regard to that port. It is just about Rs. 2 lakhs. I would request the hon. Minister to consider the possibility of allocating more funds for Colachel port, and develop, as I said, the port of Tuticorin.

Mr. Deputy-Speaker: Shri Achar. He may speak for five minutes.

Shri Achar: Yes; but I pray for one or two more minutes in addition. I am very thankful to Shri Vittal Rao for having raised this question and am also very thankful to the Committee which has produced this report on the development of intermediate ports. I am very sorry the name of Mangalore was mentioned as if a competition was raised between Karwar and Mangalore. I wish Shri Alva had read the report. I can understand his arguing for Karwar if he had met at least one argument out of the several arguments put forward in the report by the committee. I am referring to only one sentence at page 262:

> "From all points of view, therefore, technical feasibility, economics of building a major port, the low cost of the ores to be exported, the size of the deposits which will feed the port and the prospects of traffic other than iron ore, Mangalore would seem to be the port that should be established on the west coast for improving the normal expansion of iron ore export traffic."

They have also considered Karwar earlier and they say it will be economically too costly to export iron ore from that port, because iron ore is the main item. They also say that low grade and high grade ores are not available near Karwar. So, I will not dilate on that question.

I want to meet one argument put forward by Shri Pattabhi Raman. Of course, I want both Tuticorin and Mangalore to be developed. But it is not correct to say that Tuticorin is given priority in the report over Mangalore. I am referring to page 142 where four ports are mentioned and the committee gives the priority. The two ports for first priority are Tuticorin and Mangalore. Tuticorin is mentioned first and then Mangalore is mentioned. For second priority, Paradip is mentioned first and then Porbandar. This does not mean that Paradip is given priority over Porbandar. Nothing of that kind. That is made very clear at page 125 where they say:

> "The committee is of the opinion that all works in each priority group are of equal importance."

In the earlier sentence they have said, they go in a geographical order beginning from Paradip and going up to Gujarat. That clearly shows that the two included in the first priority group are of equal importance. There is no preference of one over the other. I do not want to contend that Tuticorin does not deserve development. But I must say that Shri Pattabhi Raman is wrong in saying that Tuticorin has preference over Mangalore. Both of them equally deserve development and I am pleading for both the ports.

17 hrs.

Mangalore is on the west coast midway between Goa and Cochin. It has got a hinterland of not less than 1·30 lakh square miles, within which Mysore State also comes. We have to remember that so far as Karwar is concerned, I do not say today, but as early as possible, we are likely to have Goa. Karwar is hardly 25 miles from there and I am sure it is bound to come. As I said, apart from everything else, this Report has given very good reasons to show that not less than two million tons of iron ore could be exported from that port, because it has very nearby—both low grade and high grade iron ore. Also, it has got extensive trade in coffee and other articles. So, it is only just and fair that it should be developed, on account of its natural advantage as an all-whether port.

श्री आसर (रत्नागिरी) : उपाध्यक्ष महोदय, मैं इस रिपोर्ट को देखने के बाद महाराष्ट्र के सम्बन्ध में कुछ निवेदन करना चाहता हूं। महाराष्ट्र के तीन सौ बीस

मील के किनारे पर एक बम्बई को छोड़कर एक भी पोर्ट बनाने का निर्णय कमेटी ने नहीं लिया है। और यहां के लोगों की जो बहुत दिनों से मांग थी उस पर विचार नहीं किया गया है। इस कमेटी की टर्म्स आफ रेफरेंस में लिखा है

"Broad national consideration as well as internal requirements."

लेकिन इस प्रश्न पर विचार करते समय कमेटी ने केवल फाइनेंनशल दृष्टि से विचार किया है लेकिन वहां के लोगों की आवश्यकता की दृष्टि से विचार नहीं किया गया है। इसी कारण महाराष्ट्र के ३२० मील के किनारे पर कोई पोर्ट बनाने का निर्णय नहीं लिया गया। नंजदिया कमेटी ने जिन १८ इंटरमिडियेट पोर्टों की सिफारिश की थी उनमें रत्नागिरी भी था। उनमें से बहुत से पोर्ट तो बन गए हैं लेकिन रत्नागिरी का पोर्ट अभी तक नहीं बना है। उसके बारे में अभी तक विचार नहीं किया गया। इंटरमिडियेट पोर्ट डेवेलपमेंट कमेटी दो बार रत्नागिरी गयी लेकिन रत्नागिरी के बारे में उसने जो निर्णय लिया वह उचित नहीं है। इसका कारण यह बताया गया है कि रत्नागिरी पोर्ट में सन् १९५१ से सन् १९५४ तक १–३ लाख पैसिंजर का ट्रैफिक था लेकिन बाद में वह कम हो गया। लेकिन यह देखना चाहिए कि इसके कम होने का कारण क्या है। इसका कारण यह है कि इस पोर्ट तक जाने के लिए ट्रांस्पोर्ट की सुविधा नहीं ठीक है और लोगों को वहां तक पहुंचने में कठिनाई होती है। इसलिए बहुत से यात्री मोटर से चले जाते हैं। इसी लिए वहां का ट्रैफिक कम हो गया है। हमारे जिले में बम्बई जाने वाले सात आठ लाख आदमी रहते हैं और ट्रैफिक बराबर बढ़ रहा है लेकिन ट्रांस्पोर्ट की दिक्कत की वजह से लोग स्टीमर से नहीं जाते। इसी लिए वहां का ट्रैफिक कम हुआ है।

इन एक्सिसिबिल एरियाज कमेटी ने सिफारिश की है कि रत्नागिरी बैकवर्ड एरिया है और इसको डेवेलप करने को आल वेदर पोर्ट की व्यवस्था होनी चाहिए। लेकिन दुर्भाग्य से इस बारे में विचार नहीं किया गया।

हमारी सरकार उस एरिया में चार इंडस्ट्रियल एस्टेट्स बनाने वाली हैं और कोयना प्रोजेक्ट बनायी है और वहां इंडस्ट्री बढ़ रही है। लेकिन बम्बई आने, जाने के लिए वहां ट्रांस्पोर्ट फैसिलिटी नहीं है। कमेटी ने बताया है कि अगर वहां पोर्ट बन जाए तो रत्नागिरी, कोल्हापुर और अन्य स्थानों से भी वहां ट्रैफिक आ सकता है।

आप देखें कि पोर्ट बनने से पहले कांदला पोर्ट की क्या स्थिति थी। वहां कोई ट्रैफिक नहीं था। लेकिन उसका डेवेलपमेंट होने के बाद ही वहां ट्रैफिक बढ़ा है।

तो मैं कहना चाहता हूं कि रत्नागिरी पोर्ट पर विचार किया जाए और अगर उसको डेवेलप किया जाएगा तो वहां भी ट्रैफिक बढ़ेगा। महाराष्ट्र के मंत्री ने भी कहा है कि इस बारे में विचार किया जाए।

श्री ना० नि० पटेल : उपाध्यक्ष महोदय आपने मुझे बोलने का अवसर दे दिया और गुजरात के लोगों के साथ अन्याय नहीं हुआ इसके लिए मैं आपका आभारी हूं। लोगों ने हर प्रदेश की बात कही है लेकिन गुजरात राज्य नया बना है। वहां उमरगांव से लगाकर कच्छ तक समुद्री किनारा है लेकिन उस किरनरे पर कोई अच्छा पोर्ट नहीं है।

एक माननीय सदस्य : कांदला है।

श्री ना० नि० पटेल : वह है लेकिन जो महवे, अंकलेश्वर और कैम्बे में तेल निकला है उसको ले जाने के लिए अगर कोई अच्छा पोर्ट नहीं होगा तो उस तेल के ट्रांस्पोर्ट में बड़ी दिक्कत होगी। उस तेल को साफ

[श्री ना० ति० पटेल]

करने के लिए रिफाइनरी लगाने में भी बड़ी कठिनाई होगी। तो मेरा मंत्री महोदय से सुझाव हे और प्रार्थना है कि मकदला एक जगह है। दूसरी जगह है दहेज और तीसरी कैम्बे। इन में मे दहेज और कैम्बे में पोर्ट बनाने पर विचार किया जाए ताकि तेल ले जाने में दिक्कत न हो।

दूसरी बात मैं पोरबन्दर के बारे में कहना चाहता हूं। वह भी बहुत अच्छा पोर्ट हो सकता है। वहां बड़े बड़े स्टीमर भी आते हैं लेकिन वहां पोर्ट न होने की वजह से वहां पैसिजरों के जाने में और माल चढ़ाने और उतारने में भारी दिक्कत होती है। मेरा सुझाव है कि पोरबन्दर के लिए भी कुछ होना चाहिए। और मकदला, दहेज और कैम्बे में जो अच्छा समझा जाए वहां पोर्ट बनाना जरूरी है।

Shri Shankaraiya (Mysore): Mr. Deputy-Speaker, Sir, I am thankful to you for giving me an opportunity to express my views. About Mangalore Port many of my hon. friends have spoken and have supported it. It is most unfortunate that the State of Mysore does not have a port till now. The claim for having a port on the western side to export its industrial articles, iron ore and manganese ore has been a very long one. All the southern States, namely, Madras, Kerala, Andhra, Bombay Maharashtra have got ports and it is most unfortunate that Mysore has not got a port of its own.

As you know, Mysore was developed industrially very long ago. Even before Independence, Sir. M. Visweswarya made frantic efforts to develop a port in Mysore, but because of the vested interests of the British Government they did not permit him to do so. Even after Independence we have been claiming for the development of a port on the western side. Three committees were appointed. Time is being spent like this and the aspirations of the Mysore people have not been fulfilled. I may bring it to the notice of the hon. Minister that this waiting has been a very long one and there is a feeling of frustration. The industrialists and the merchants are feeling that they are not having a reasonable share of the bulk of the trade or profits. The trade has been taken away either by Madras or Bombay or by other harbours and we have not been given the scope for development. Therefore this feeling of frustration is too much in Mysore State. It is the only State in the peninsula that has not got even one port. I hope the hon. Minister will seriously consider this aspect.

One word more and I finish. For the export of iron ore the Rumanian Delegation has come. The Italians are willing to take iron ore and manganese ore from the western port. The delegation from Rumania is now present and is having discussions with the Ministry. From what I understand, they are willing to take and lift the iron ore and manganese ore from the western port because it will be cheaper, but the Government of India is trying to divert it towards the east. By insisting on that, they may not on lose this trade with Rumania and Italy, but it will be putting an end to the prosperity of Mysore State. So this should be taken seriously.

Mr. Deputy-Speaker: There are five minutes and two more hon. Members have to speak. Shri Deo.

Mr. P. K. Deo: Mr. Deputy-Speaker, if you trace the history of the development of ports in this country, you will find that it is a historical accident......

Mr. Deputy-Speaker: Tracing of history would take a long time.

Shri P. K. Deo: Because of our cultural, administrative and economic association with the west, all the ports in the west coast started developing and Bombay, naturally, became the gateway of India. Similarly the development of Calcutta, it is a historical accident. Because, it is not a natural port and for dredging the Hooghly, we have to spend Rs. 50 lakhs every year. We find from history that if some princes in Delhi had not fallen ill and had not been treated by some English doctor and if three villages had not been given in Bengal, Calcutta would not have been the headquarters of the East India Company and the nucleus for their future imperialist expansion. We shall have to examine all these things.

After India became independent, the whole perspective has changed. We shall have to examine how to develop the natural ports of this country. In that respect, the report of the Intermediate Port Development Committee has been most elucidating. They have rightly said that the Committee is of the view that iron ore traffic has to play an important role in deciding the development of ports. Let us see who are the buyers of our iron ore. It has been admitted that by 1965-66, we shall be exporting iron ore to eastern countries like Japan to the extent of 224 million tons. Our export is anticipated to go up to 3 or 4 million tons to the East European and West European countries.

Mr. Deputy-Speaker: The hon. Member should appreciate my difficulty. He is trying to open his book just now.

Shri P. K. Deo: Taking all these facts into consideration, it becomes imperative on the part of the Government to see that the ports on the east coast are properly developed. Rightly, this Committee has given first priority for the development of the Paradip port. For Paradip, they have assessed that if we spend Rs. 9 crores, it becomes a first class all weather port. It could handle a large amount of traffic and earn a good deal of foreign exchange. Taking into consideration all these factors, I request the hon. Minister that he should give top priority and allot Rs. 9 crores for the development of Paradip.

Mr. Deputy-Speaker: Shri Chintamoni Panigrahi only wanted to put a question. His State has been represented.

Shri Chintamoni Panigrahi: Mr. Deputy-Speaker, I would like to know from the hon. Minister, which of the recommendations of the Intermediate Port Development Committee have been accepted to be implemented in the Third Plan and whether the priorities which have been given by the Intermediate Port Development Committee for the different ports, the first priorities and second priorities—all of them—have been included in the Third Plan and if so, whether it will be by way of grants or by way of loans to the State Governments and the amount which has been given so far either by way of loans or grants for the development of Paradip Port.

Shri Raj Bahadur: Mr. Deputy-Speaker, I am grateful to the Members who have participated in this debate for the keen interest that they have shown in the development of minor ports. I may, to begin with, just invite attention to the constitutional fact, namely that Ports, other than major ports, appear in the Concurrent List and the executive responsibility thereof vests with the State Governments. We come in the picture for their development by way of loan assistance or otherwise. It was with a view to fulfil our responsibility that we thought it proper that amongst the category of ports known as intermediate ports,—that is ports which have got a traffic of more than 1 lakh tons of goods or some sizable passenger traffic we should try to fix up priorities through this Committee. Therefore, we appointed this Committee as early as 27th October, 1958. The main terms of reference

[Shri Raj Bahadur]

were, selection of suitable intermediate ports in India for intensive development in order of priority and also to determine the extent of development required. This report was submitted on the 30th of April, 1960. I am submitting this particular fact because a point was made by Shri T. B. Vittal Rao that we have delayed consideration of this report, or that we have been otherwise not going as quickly and actively about it as we should have, but I may assure him that as soon as the report came we got summaries made out and sent to the State Governments concerned as far back as July, 1960. But we could not go ahead unless the report was printed, and now the printed volume will convince the House that it also should have taken time. We got the printed copies as late as the end of September. Soon after that we placed it before a meeting of the National Harbour Board. A special meeting of the Board was also convened in order to consider the recommendations contained in the report exclusively.

I would like to take advantage of this opportunity to tell the House how we have proceeded about it. The main recommendations of the Committee were divided into certain categories, as under:

	Rs. Lakhs
First priority works in respect of 18 ports, the names of which honourable Members are aware of . . .	611·48
Second priority works .	422·00
Third priority works (3 ports)	42·50
Development of an all-weather deep draught port at Tuticorin . . .	1,027·00
Mangalore . . .	1,270·00
Paradip . . .	955·00
porbander . . .	526·00
Enlargement of the dredging pool and external dredging	

This is how the recommendations were there.

We knew that if all the recommendations were accepted, this will total up to over Rs. 50 crores. Naturally, we made certain proposals on a selective basis. I will refer to that later on, but we were told by the Planning Commission that a sum of only Rs. 10 crores would be available by way of provision in the Third Plan for the development of minor ports. Naturally, we had to cut our coat according to the cloth, and the cloth did not permit us to fashion out the coat more than what the first priority works indicated in the report. They totalled up to Rs. 611 lakhs plus a provision for certain other essential items. Now I will tell you how we have tried to put certain counter-suggestions to the Planning Commission in this behalf.

We have requested the Planning Commission to consider our proposals for inclusion of all the first priority works included in the report, which, as I said, total Rs. 611 lakhs. Then the other items are:

	Rs. Lakhs
Essential development works relating to other minor ports	69
Dredger *cum*-survey launch pool expansion . . .	250
Pondicherry . . .	21·52
Port of Laccadive Islands .	7·50
Andaman and Nicobar Islands .	55·00
Detailed investigation and designs in connection with the Sethusamudrum project .	40·00
Development of Tuticorin and Mangalore into all weather alongside ports .	1475·00

So the grand total comes to Rs. 25,09,02,000.

These were our recommendations, and I would only say that the Planning Commission is still considering how best they can meet our demands in regard to certain essential works or essential projects like Mangalore and Tuticorin, and we cannot, at this stage, say what the final conclusion will be.

Now I think I will do well at this stage to refer to certain points which have been made specifically by certain Members in this connection.

Shri Vittal Rao stated we were late in realising the importance of minor ports and were reminded of them only because of the congestion in ports. It is well-known that congestion in ports in 1957 was occasioned because of the closure of the Suez Canal and then the release of the pent-up traffic later on when it opened up. That was also occasioned because of the heavy imports of heavy machinery and equipment for our steel plants etc. So, that was a sort of an extraordinary occasion, an extraordinary feature. Otherwise, when the Second Plan proposals that we have got in respect of major ports are completed, they will increase the capacity of our ports for handling as much as over 40 million tons of cargo. Already on one occasion they have handled 31 million tons in 1957, and when all these works are completed, the capacity will be of the order of 40 million tons. So, I may assure the House that so far as the capacity of the major ports is concerned, it will not be found wanting by the end of the Third Plan period.

Then he made a special reference to Kakinada, Mangalore, Tuticorin and also Sethusamudram. As for Sethusamudram, I have already referred to it and stated that we have included a provision for it, and we hope that that will be accepted.

About the ports, it may not be possible for me to meet all the arguments or to comment on all the points which have been made by hon. Members in regard to the respective ports they were interested in. But, broadly speaking, I shall say something about the more important points that have been made.

Shri Mohammed Imam and Shri Joachim Alva referred to the ports of Karwar and Mangalore. Shri Joachim Alva was rather waxing eloquent on Karwar. He was accusing us that we have not been just to Karwar, because, Karwar, according to him, is much more important or at least it admits of much greater potentialities for development as a port than Mangalore. I think Shri Achar has aptly given a reply to him. So, I would only say, so far as that goes, that even from the point of view of the present traffic, and the potential future traffic, it is apparent from what is stated at pages 85 and 217 of the report, in the appendices and the tables given therein, that there is no comparison between the traffic handled by these two ports at present. Karwar at present handles a traffic of 158,000 tons, whereas the port of Mangalore handles about three to four lakhs tons or more. The potential traffic also, in the case of Mangalore, has been estimated to come up to six to seven lakhs tons by 1966, plus 2 million tons of iron ore which will carry it up to 2·6 million tons. As against that, it is not expected that the Karwar port will handle or will come to handle more than five to six lakhs tons of traffic. Out of that, how much will be general cargo, on which the main port revenues will depend is also problematical. I would rest content with this and say that so far as that particular aspect of the matter is concerned, we have not been unfair to Karwar. We have only tried to take into account the relative importance, and the relative utility of the ports in the context of the larger national interests.

Shri Joachim Alva: It will open up the whole hinterland like a rose!

Shri Raj Bahadur: Because of paucity of time, nor I would request my hon. friend not to interrupt me.

There is another feature also, because I would like to assure him that

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we have not been unfair. Even for having one berth of about 32 feet draft at the port of Karwar, it will be costly, because it will cost about Rs. 1·6 crores to have that, but if we want to have more than one berth, it will be much more costly than Mangalore. So, from the point of view of the cost of development also, the port of Karwar will not be as cheap as it is supposed to be. While Karwar will be nearer Bellary and Hospet ore mines, a major part of the hinterland in the Mysore State and surrounding areas is covered by the port of Mangalore.

Then, again, the Mangalore-Hassan railway has been considered as necessary by the railways. That is the position, so far as our information goes. But that is not the case so far as the Hubli-Karwar line is concerned.

So, taking into account all these factors, I hope my hon. friend will bear with me and would feel satisfied that we are not oblivious of the interests of his constituency. We shall try to do our level best, and as much as we can, but we cannot ignore the relative priorities or the respective or relative importance of the two ports.

Then, Shri Supkar, Shri P. K. Deo and Shri Chintamoni Panigrahi referred to Paradip. The total amount recommended by the Intermediate Ports Development Committee in their report in respect of all Orissa ports comes to Rs. 1.10 crores or so. We have allotted as at present Rs. 1 crores. Against Paradip, the total recommendation of the committee was Rs. 1.10 crores, and we have allotted Rs. 99 lakhs. I would say that even compared to Mangalore and Tuticorin which have been given the first priority in the report for development, so far as the actual allotment for first priority works is concerned, the port of Paradip fares much better. The Mangalore port and the Tuticorin port, if the first priority works are taken into account, will not get even about one-third as much as the port of Paradip has got. So, the interests of the Paradip port and its development have been fully taken into account.

Shri Aurobindo Ghosal made a valid point, that we should try to utilise to the maximum our present port capacity. I can assure him that that is a matter of principle with us. He then referred to Haldia. Actually, Haldia does not come within the scope of this Report. But I may tell him that we have already provided Rs. 7 crores for the development of Haldia in the Third Plan. The ports of Calcutta and Haldia will be complementary and supplementary to each other. That is the position with regard to that matter, about which he was anxious to know the facts.

Shri C. R. Pattabhi Raman referred to Tuticorin and also the Sethusamudram Project. In principle, we have accepted the Sethusamudram Project to be taken up for at least the preliminary survey work or something like that—investigation and so on and for that. In the Third Plan, we have made a provision about Tuticorin and Sethusamudram. We have already sent our recommendations to the Planning Commission. We are convinced of the urgent need to do something in a special way for the development of Tuticorin and Mangalore. Even in our latest proposals, we have requested the Planning Commission to consider the advisability of including both these projects for high priority in the Third Plan.

Shri Goray complained that the progress of works in respect of ports in Maharashtra has not been satisfactory and even whatever allotments were made do not appear to have been utilised. The information placed at my disposal goes to show that against a total allocation of a provision of Rs. 35 lakhs, the Maharashtra Government have already spent Rs. 27 lakhs, and they hope to spend the balance during the course of the current year. So on that account, we cannot quarrel with the Government of Maharashtra for any slow pace of work.

As regards Ratnagiri and the mangoes that go out from there, we are fully conscious of it, but much more important than mangoes are the passengers and the passenger traffic that it caters for. I can tell him that at the last meeting of the National Harbour Board they accepted in principle the suggestion of the Maharashtra Government representatives that besides Rs. 15 lakhs which the State proposes to spend on its development, Rs. 20 lakhs might be allotted by the Centre. In principle, it was also accepted that they might start with the development of what is known as the Killa Bay for the development of that port. The State demanded as much as Rs. 3,22,78.000 for all ports there. But the Ministry of Transport and Communications after proper scrutiny were of the opinion that Rs. 78·18 lakhs would meet the needs, keeping in view the limited resources at our disposal. The Planning Commission have further agreed that to this amount of Rs. 78·18 lakhs, another Rs. 50 lakhs might be spent by the State Government from out of their own ceiling. That is how it stands.

Shri Raghunath Singh gave very strong support to the plea for the development of minor ports. I express my thanks to him for that. Shri Kodiyan referred to Beypore and said that we have not proposed to include it. Let him kindly refer to the Report. I may also tell him that we have accepted that for the development of Beypore Rs. 10 lakhs should be provided. So, that amount has been provided for its needs.

In the Third Plan, against a total requirement of Rs. 147·78 lakhs for the State of Kerala in respect of its ports, we have approved Rs. 136·45 lakhs which is for first priority works. I think it is a very satisfactory percentage. Apart from that, the Planning Commission have further agreed to allow them to spend Rs. 25 lakhs on their past requirements from out of their own ceiling. I think that should be considered reasonably satisfactory.

I was thinking that no Member from Gujarat had spoken, but Shri N. N. Patil broke the ice. Gujarat happens to be one of our maritime States with the largest number of ports. Shri Patel emphasised the need for paying more attention to Porbandar.

Mr. Deputy-Speaker: Actually, I had to ask him to speak.

Shri Raj Bahadur: Yes, Sir, and then he spoke. They have got such a large number of ports and so their interests should be looked after.

Shri Goray: They have got the first free port in the whole of the country —Kandla.

Shri Raj Bahadur: The scheme is under consideration.

Shri N. N. Patil: There is no port for handling oil.

Shri Raj Bahadur: That was a point that was missed by him when he spoke. That will come up for consideration when the Oil Ministry so advises.

About Porbander, we are conscious of the needs of traffic, both passenger and cargo, that this port handles. I would very much like to accommodate its needs as much as we can within the allocations that are made for the ports.

Shri Panigrahi asked us about our policy in regard to the IPDC report generally. I have already said that for the present we have confined ourselves to the first priority works recommended by them and we have done all that is possible for other schemes within the limited allocations that have been made to us.

Apart from that, we have asked for certain special allocations for Tuticorin, Mangalore and Sethusamudram

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and other important projects. I join the hon. Members who have paid very well deserved tributes to the Committee which has really produced a very useful and profitable report. I think, so far as information about these ports is concerned, it will be a sort of compendium for all times to come.

Shri T. B. Vittal Rao: Mr. Deputy-Speaker, Sir, the hon. Minister has stated that the congestion that obtained in 1957 and subsequently in 1958 was due to the closure of the Suez Canal and the subsequent opening of the Suez Canal. I would like to draw the attention of the hon. Minister to the fact that we are going to import 16 million tons of wheat under the PL 480 Agreement and 1 million tons of rice from the United States of America. Let not the same congestion take place in these major ports and let us not pay heavy demurrage.

I am quite aware that the development of minor ports is in the Concurrent List.

Shri Raj Bahadur: Sir, this is not a point which he has made earlier. I will have no opportunity of replying to that.

Mr. Deputy-Speaker: The record will show that it was made afterwards. Normally, he should not take up new points now.

Shri Harish Chandra Mathur (Pali): He can criticise what has been said.

Shri T. B. Vittal Rao: I know that the development of minor ports is in the Concurrent List. But, what I would urge is that the conversion of minor ports into major ones is entirely the responsibility of the Central Government.

All these ports, Mangalore and Tuticorin lie in the south, and there is a feeling in the south, amnog the people there, that their interests are not looked after properly by the Government of India. I hope and trust due note of this feeling will be made by the Planning Commission when they finalise their plans in the next week.

One more point. I have, time and again, read in the papers the statement made by the Chief Minister of Mysore State in the Mysore State Legislative Assembly that Mangalore port will definitely be taken up for conversion. I do not know whether a decision has been taken because even the Minister today was not able to tell us the decision. But the National Harbour Board has recommended that Tuticorin and Mangalore ports should be developed as major ports.

Mr. Deputy-Speaker: The question is:

> "That this House takes note of the Report of the Intermediate Ports Development Committee, laid on the Table of the House on the 9th September, 1960."

The motion was adopted.

17.35 hrs.

DISCUSSION RE. APPOINTMENT OF SHRI A. K. CHANDA AS CHAIRMAN, FINANCE COMMISSION

Mr. Deputy-Speaker: Now we will take up the next item. Shri Khadilkar. The time allowed will be ten minutes for the Mover and subsequently 5 minutes for others. There are 8 sponsors and the time allotted is one hour. The Minister has also to reply. Now, hon. Members may distribute the time and I will abide by it.

Shri Khadilkar (Ahmednagar): But the subject is so important. I will proceed and I will try to finish it as early as possible.

The Minister of Finance (Shri Morarji Desai): The importance does not require more time.

श्री अ० म० तारिक (जम्मू तथा काश्मीर): जनाब डिप्टी स्पीकर साहब, मैं आपकी तवज्ह आज के लिस्ट आफ बिजिनस की तरफ दिलाना चाहता हूं। एक घंटे का एक

मोशन है जो कि अब शुरू हो रहा है । इस बाद दो हाफ एन आवर डिसकशंस हैं । इसका मतलब हुआ कि आठ बजे तक हम लोग बैठेंगे । आठ बजे तक बैठने मे हमें कोई ऐतराज नहीं है । लेकिन मैं अर्ज करता हूं कि मेरा जो हाफ एन आवर डिसकशन है, इसको अगर कल के बिजिनेस में ट्रांसफर कर दें, तो मैं आपका बड़ा मशकूर हूंगा ।

उपाध्यक्ष महोदय : कल भी तो कोई आफ एन आवर डिसकशन होगा ।

श्री अ० मु० तारिक : कल एक ही होगा ।

उपाध्यक्ष महोदय : अच्छी बात है । कल रख लेंगे ।

[شری اے- ایم- طارق - جناب ڈپٹی سپیکر صاحب - میں آپ کی توجہ آج کی لسٹ آف بزنس کی طرف دلانا چاہتا ہوں - ایک گھنٹے کا ایک موشن ہے جو کہ اب شروع ہو رہا ہے - اس کے بعد دو ہاف این آور ڈسکشنز ہیں - اس کا مطلب ہوا کہ آٹھ بجے تک ہم لوگ بیٹھینگے - آٹھ بجے تک بیٹھنے میں ہمیں کوئی اعتراض نہیں ہے - لیکن میں عرض کرتا ہوں کہ میرا جو ہاف این آور ڈسکشن ہے اسکو اگر کل کے بزنس میں ٹرانسفر کر دیں تو میں آپکا بڑا مشکور ہونگا -

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اپادھیکش مہودے - کل بھی تو کوئی ہاف این آور ڈسکشن ہو گا -

شری اے- ایم- طارق - کل ایک ہی ہو گا -

اپادھیکش مہودے - اچھی بات ہے - کل دیکھ لینگے -]

The Minister of State in the Ministry of Transport and Communications (Shri Raj Bahadur): I am sorry, Sir, I will not be here tomorrow.

Mr. Deputy-Speaker: Then I can't help it.

Shri A. M. Tariq: The senior Minister will be here, he can reply.

Mr. Deputy-Speaker: The hon. Minister who is in charge of it will have to answer.

Shri Ansar Harvani (Fatehpur): The senior Minister can reply.

Shri Raj Bahadur: If you will permit me to say, Sir, I have been dealing with the brass-tacks.

Mr. Deputy-Speaker: If not today, then next session. Does Shri Tariq agree to that.

Shri A. M. Tariq: All right, Sir.

Shri Khadilkar: Sir, I am grateful to you for allowing me to raise this discussion, because I consider it very important. I consider, Sir, that the offices of the Chief Justice of the Supreme Court, the Auditor General and the Public Service Commission Chairman are some of the pillars of our Constitution. If some allurements are kept before the holders of these offices after retirement, as it is happening nowadays, it will have a corroding influence, and I do not know what would happen to us if all the pillars are corroded and the house topples down on our head.

So this House as well as you, Sir, as the custodian of the Constitution should take a very serious note of the appointment of Shri A. K. Chanda as the Chairman of the Finance Commission as well as Chairman of the Central Excise Reorganisation Committee. In my motion, I have not mentioned this fact, but this is obviously a Government appointment and I do think that Government will give further thought to it and take some suitable action immediately.

But the other matter is very important. When I went through the statement placed before the House by the

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Finance Minister I was surprised that nowadays Ministers are dealing with grave issues in a casual manner. This statement is most casual and it does not take into consideration the gravity of the problem that is behind all this appointment. Why I say this, Sir, is, he has made one or two points only. He says that the Commission's chairmanship cannot be regarded as an office under the Government of India.

Now, this is a point which needs a little elaboration. As you know, Sir, there was a question regarding the qualification or disqualification for our election. A committee was set up to determine whether from President downwards every office was an office of profit or not. In that committee, this problem was thoroughly discussed. I have no time to give here the relevant portions of the report, but from the report of the Committee on Offices of Profit you will find that they have very clearly defined the term "office of profit". In this context, they had to define "office". "Office" is a wider term, and they have stated therein "whether it is under the Government of India or not". But the ex-Law Minister has stated—I am not going through the whole report—that even the membership of a Coal Board, a statutory and independent body, would be considered as an office under the Government.

What is an office? This is a very pertinent question in this regard. I tried to get some definition of it. There is one definition which would be acceptable to the Minister and the Law Minister in particular. I am going to quote from AIR Commentaries on the Code of Civil Procedure, Page 197 of Vol. 1. They have defined "office" as follows:—

> "An office is a position which has some duties attached to it. The existence of office, therefore, involves the existence of some duties to be performed by the holder of the office and which are enforceable by law, custom or usage."

Further it says:

> "It is not essential that the office need be one which brings in any profit to those claiming it or one to which any fees or emoluments are attached as of right, and this is so whether the office is a secular or a religious one."

This is the definition which has perhaps impressed Shri Chanda himself. Because in his book on *Indian Administration*—I am casually mentioning it—has realised his own position and made a positive statement regarding his future prospects of employment. I shall just read out what he says there:

> "To protect his independence and to place him beyond the pale of the influence and interference of the executive government, both the ban on his employment after retirement as well as his removal by a special Parliamentary process have been retained and elaborated in the Constitution Act."

He has approvingly quoted the provisions to say that he cannot also hold any further office after his retirement. This is one important aspect.

The Minister of Law (Shri A. K. Sen): That is not a fact. It is "office under the Government of India".

Shri Khadilkar: I am coming to that. First, I am trying to pin down the definition and say what is 'office'. There are some irrelevant portions there and I am not concerned with them. I am not concerned with the constitution of the Finance Commission which is governed by the Constitution. But every office is created by law, and even if we, for the sake of modesty, of a fiction, admit that the appointment is made by the President, it is made by the Government. Everybody knows that. I am coming to that point.

When the Bill regarding the appointment of the Auditor General, was moved before the House, Shri Deshmukh pertinently referred to the aspect in the Statement of Objects and Reasons. I shall read just one sentence from it, which runs as follows:

> "It is considered desirable to fix the tenure of this office in the same way as for other statutory authorities like the Union or State Public Service Commission....

It is because there is also that possibility, and therefore he has specifically mentioned it here.

> "and taking into account the importance of the post and the fact that its holder is constitutionally debarred from holding any office under the Union or State Governments, after vacating office, to allow an additional pension for service as Comtroller and Auditor-General."

So, when he accepted the Comptroller and Auditor-Generalship, he had given away his rights, so to say, of getting any allurement from Government—whether Government offers him or not—and he is debarred from accepting any other post, as is evident from the Statement of Objects and Reasons given by Shri Deshmukh.

There is one more point in this connection. There was a debate on this Bill and Dr. S. P. Mukherjee drew the attention of the House to a particular point and made a reference to it and he made an eloquent plea that the Comptroller and Auditor-General should be debarred from any office. But I am not going into that, though I shall just read out one small paragraph from what Shri Deshmukh said—just regarding this point—in connection with the Bill which was passed in April, 1953. It runs as follows:

> "At present, the Comtroller and Auditor-General does not get any additional pension for the service rendered by him in that capacity. Considering that the holder of this office is constitutionally debarred after vacating the post, to hold office under any State or the Centre; the high importance of the post and the very considerable increase in the responsibilities brought about by the integration of the former Indian States, the responsibility for the audit of the accounts of all of whom fall upon him as they form part of one or the other of the States of the Union; and the expansion of govmental activities which increase his responsibility for audit, Government feel that some recognition should be accorded to service in this post for regulating the pension of the holder after his retirement."

So, when this Act was passed, thought was given to the question of determining the pension. This is also a very important aspect.

Therefore, my contention is, this is an office under the Government, if we accept this definition and the intention of the Act, regarding the Comptroller and Auditor-General, which was passed is quite clear.

Regarding the Finance Commission, it is governed by the Act and we are not concerned with it. Now the finance Minister has mentioned Shri Narahari Rao's case. This is different. That case is irrelevant here, because he was holding an office under the International Monetary Fund. That does not apply here, so far as an office under Government is concerned. So, that reference to the Attorney General and the justification he got from it is absolutely uncalled for.

I would now like to draw the attention of the Finance Minister and the Law Minister to what Shri Basu has to say. The Finance Minister made a point that he is not a full-time holder of the office, he is not drawing any salary, etc. But there are other aspects and I have read the definition of 'office'. Office means certain res-

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ponsibility, a certain influence because of holding that position. A lawyer like Shri Nathwani knows all these things. When he said this statement that he is not drawing any salary, I do not think the Finance Minister took the House into confidence. He is drawing Rs. 60 per day without income-tax. If my information is wrong the hon. Minister may correct me. He has got a house rent-free; he is getting electricity free; health service free....

Shri Morarji Desai: He is not getting anything free.

Shri Braj Raj Singh (Firozabad): What about the allowance he is getting?

Shri Morarji Desai: That is only tour allowance.

Shri Khadilkar: All these things are there. Even if he is not taking a farthing, whether it is justified or not according to the letter and spirit of the Constitution is the point. I would humbly plead that the Auditor General's case is not first instance. My exprience leads me to the conclusion that the executive Government in this country is keeping allurements before the High Court Judges, before the Chairmen of Public Service Commissions and before Auditor Generals and it has acted as a corrupting and corroding influence on the social and political institutions in our country. If we care for our democracy and for our Constitution, it is the duty of this House to say just now to the Finance Minister that so far as his interpretation is concerned, he is totally wrong.

Who appoints him? It is said that the President appoints him. But his appointment is not made like the Governor's appointment. The appointment letter is given by the Finance Ministry itself. That fact also should be noted by the House. If I am wrong let him correct me. This honorary business has been too much played upon. I am not going into other commentaries, but I shall quote from Shri Basu's commentary, which is well-known. It is very relevant to this issue. I will read that portion. He has given a very comprehensive statement on this point:

> "For the word 'office' is generally as distinguished from the qualified expression of 'office of profit', so that even honorary appointments would be included within article 148(4). 'Employment' similarly is used in a general sense so as to cover employment in any capacity in the Government. In short a person who has held the office of the Comptroller and Auditor General or that of the Chairman of a Public Service Commission cannot accept any further appointment from the Government of India or from that of a State. The object in either case is to make an incumbent to these offices free from the allurement of getting any favour from the executive after the termination of the office, which might otherwise have influenced his action while in office."

This commentary of Shri Basu brings out clearly two points and really rebuts what the Finance Minister has said. Even when the holder of the office is doing his job in an honorary capacity, he is debarred from holding that office under our Constitution. That is the interpretation given when he places the Chairman of the UPSC along with the Auditor-General. As you know, the Chairman is debarred from holding office, except in some cases under the Centre or the States, whatever it is.

Mr. Deputy-Speaker: Is that all?

Shri Khadilkar: Two more minutes, Sir.

Mr. Deputy-Speaker: He has already taken the two minutes he wanted.

Shri Khadilkar: I will finish in two minutes.

So, far as this question is concerned, I do not know Shri Chanda. I have met him casually once. So, there is no personal knowledge of him.

Shri Tangamani (Madurai): Why are you apologetic?

Shri Khadilkar: I have taken it as an issue, which must be clearly understood. I look at it from that point of view.

Shri Tangamani: I would like to know whether the hon. Member is fighting for a principle or fighting for or against a person.

Mr. Deputy-Speaker: Order, order. The hon. Member knows what he is expressing.

Shri Khadilkar: I consider this appointment from the point of view of constitutionality, from the point of view of public morality and I have come to the conclusion that this is wrong in principle and is against the Constitution. I have grave doubts and fears that if some ordinary common citizen goes to the Supreme Court and files a writ he will get a decision against the Government and the work of the Finance Commission will be upset. That is one of the factors which motivated me to bring forward this motion.

One word more and I am done. I would appeal to the Finance Minister and the Law Minister on this occasion that it is their duty to safeguard the Constitution; particularly, the Law Minister has to look to a high juristic tradition created in the House by his predecessor. Therefore it is his duty to interpret the Constitution in such a way wherein there is no possibility of acting as a corrupting agency from the side of the executive on such high offices as that of Comptroller and Auditor-General or Chief Justices of the High Court or, for the matter of that, the Chairman of the UPSC. I hope he will try to maintain that high tradition.

Mr. Deputy-Speaker: The hon. Member must also maintain this high tradition.

Shri Khadilkar: I do.

Shri Tangamani: Mr. Deputy-Speaker, because the time at my disposal is very short, I shall mention the various provisions of the Constitution and also the relevant portions of the Act No. 33 of 1951. The hon. mover was pleased to refer to the commentary by Shri Basu. In Volume I, third edition, on pages 812 and 813 this aspect is dealt with. He deals with both the Comptroller and Auditor General and also the Chairman of the UPSC and this is how he concludes. I would like to refer the entire two pages to the consideration of the hon. Law Minister and the Finance Minister. He says:

> "The object in either case is to make the incumbent to this office free from allurement of getting any favour from the executive after the termination of the office which might otherwise influence his action while in office."

On the question of offices, article 102(1) refers to disqualification of the Members of Parliament and says:

> "A person shall be disqualified for being chosen as, and for being a member of either House of Parliament—
>
> (a) if he holds any office of profit under the Government of India or the Government of any State, other than an office, declared by Parliament by law not to disqualify its holder;"

Here it refers to an office of profit. Article 191(1) refers to a person who is to be elected to the State Assembly or Council; there also, more or less the same points are mentioned. In this particular case, article 144(4) says:

> "The comptroller and Auditor-General shall not be eligible for

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> further office either under the Government of India or under the Government of any State after he has ceased to hold his office."

Regarding the Chairman of the Union Public Service Commission, article 319(a) says:

> "the Chairman of the Union Public Service Commission shall be ineligible for further employment either under the Government of India or under the Government of a State;"

Then, article 319(c) says:

> "a member other than the Chairman of the Union Public Service Commission shall be eligible for appointment as the Chairman of the Union Public Service Commission or as the Chairman of a State Public Service Commission, but not for any other employment either under the Government of India or under the Government of a State;"

The same applies to the others also. So, the position of the Comptroller and Auditor-General is even superior to that of the Supreme Court Judge. Also, there is a lot of similarity in the question of appointment, removal, remuneration and also even pension.

In the case of the Supreme Court judges the exception is given under article 124(7) which say that a Supreme Court judge cannot plead for or against in any court. But here it goes much further than that . In the case of the Chairman, UPSC, it talks of no further appointment. But here it says that there will be no office for him at all. I submit that the term 'office' is much wider than the office of profit. In the *Chambers Dictionary* the meaning of office which I find is settled duty or employment; possession of a post in the government; a function or duty: to appoint means to name to an office; to assign or to engage to meet and appointment means an office to which one is or may be nominated. These are the various dictionary meanings.

Coming to the Act itself, I submit that the appointment is by the President and is subject to the law which will be passed by this legislature. That law is Act No. XXXIII of 1951. There is a certain significant passage in that to which I want to make a reference. Section 3 of this Act says:

> "The Chairman of the Commission......".

that is, the Finance Commission.

> "....shall be selected from among persons who have had experience in public affairs......"

There is no other qualification. I would like to know whether the former Comptroller and Auditor-General is a man who has had experience in public affairs.

Subsequently it says that the four other members shall be selected from among those who are or have been qualified to be appointed as judges, who have special knowledge of finances and accounts of Government, who have had wide experience in financial matters and in administration or who have special knowledge of economics. This is for the four other members. But the Chairman has got to be a person who has had experience in public affairs.

I would commend the other sections also. Because I have no time, I shall not refer to all of them but I shall refer to section 7 dealing with conditions of service and salaries and allowances of members. It says:

> "The members of the Commission shall render wholetime or part-time service to the Commission as the President may in each case specify and there shall be paid to the members of the Commission such fees or salaries and such alolwances as the Central Government may, by rules made in this behalf, determine."

So it is not as if the members of this Commission are asked to function *gratis*. Here is an Act which says that their remuneration is going to be fixed. One may or may not accept that remuneration.

This Commission has got special powers. The same powers have been conferred in the Civil Procedure Code. So this function which is now going to be discharged by the Finance Commission and also by the Chairman is under article 280(1) which says that the President shall, by an order, appoint the Finance Commission which shall consist of a Chairman and four other members to be appointed. Article 280(2) says;

> "Parliament may by law determine the qualifications which shall be requisite for appointment as members...." etc.

Those qualifications I have mentioned just now.

Now, the President appoints them subject to a certain law which is going to be passed by the Parliament. The President does not act on his own. He acts on the advice of his ministers. In this particular case it may be the Finance Ministry or any other ministry that advises him. Under the general clauses a person who has got the power to appoint has got the power to dismiss also. Here it is clearly stated that after a particular stage he may resign, he may be dismissed or he may be removed. All those powers are now given......

Shri Nathwani (Sorath): Who can dismiss?

Shri Braj Raj Singh: The Executive.

Shri Nathwani: There is no power.

Shri Tangamani: He can remove him if certain conditions are not satisfied.

18 hrs.

Shri A. K. Sen: Not in this.

Shri Tangamani: Kindly go through the various sections of Act XXXIII of 1951. There, it is clearly stated that under certain circumstances, this man will be removed.

Shri Nathwani: He cannot be removed.

Shri Tangamani: It is not as if he cannot be removed as the Comptroller and Auditor General cannot be removed.

Shri Nathwani: Where is the power of removal?

Shri Tangamani: Please allow me to finish. I know that is a point which will hurt you. The law has clearly provided that the five Members of the Comission will be entitled to a certain remuneration. The law nas provided clearly that under certain circumstances, he or all the five Members can be removed by the President in the same way as he has appointed. There are certain disqualifications also. The moment we know that he has got certain interests in the financial set up which is going to be put out by the Finance Commission, immediately, the President..

Shri Morarji Desai: May I ask the hon. Member where the power of removal is? I want only information. Don't get rattled about it. Tell me.

Shri Tangamani: Given time, I can develop it like a lawyer. Sections 5 and 6 read together......

Shri Morarji Desai: Of what?

Shri Tangamani: Of Act XXXIII of 1951. That is my understanding. Sections 5 and 6 read together give power to the President to remove a Member of the Finance Commission or the Chairman in certain circumstances.

Shri Nathwani: Which part of the section is the hon. Member referring to?

Mr. Deputy-Speaker: The hon. Member will have a chance to reply.

Shri Tangamani: Having said that, I would like to say that soon after the hon. Finance Minister made this announcement on the floor of the House on the 12th of this month, there have been editorials in certain newspapers about this. Particularly, on the 15th of December, there was an editorial which appeared in the *Hindustan Times*. Several letters have also appeared. There is the letter by Amal Kumar—that is a letter in one of the Calcutta papers—where he develops the whole point how this appointment is contrary to the provisions.

One more point and I will conclude. When the hon. Finance Minister, in reply to the Call Attention Notice of Shri T. B. Vittal Rao and others, stated that this House might recall that in 1956, the Government of India appointed Mr. Narahari Rao, a former Comptroller and Auditor General as Executive director of an international bank after obtaining the advice of the Attorney General of India, Shri Khadilkar pointed out that this is not an appointment in India. Assuming we have committed a mistake in the past—I am putting it at the worst; assuming that—it does not mean that we should go on committing the mistake.

Shri Morarji Desai: Agreed.

Shri Tangamani: A special Chapter is given for the Comptroller and Auditor-General as a person who is not even subordinate to this House, who is not even subordinate to this Ministry. As soon as he retires, the position is inherent. I am not thinking of any remuneration at all. I am not concerned whether he is going to get any office of profit. More than an office of profit, there are certain offices which are much wider and give him power. There are some people who are even prepared to pay to take up a particular position. That question also cannot arise.

The whole thing is this. As Shri Basu has ably put it, the object is that the incumbent of these offices must be free from allurement of getting any favour from the executive after the termination which might otherwise have influenced his action while he was in office. You can say that the Finance Commission is something which is going to be appointed under article 281 of the Constitution. After all, there is a magistrate who is appointed. He is only appointed under certain provisions of the Criminal Procedure Code. We do not say that he has been appointed under certain provisions of this Act and therefore, the appointing authority is not the Government. In that way, you cannot escape. The overall control is there. Here also, I would say that article 145 (1) says:

> "Subject to the provisions of any law made by Parliament, the Supreme Court may from time to time, with the approval of the President, make rules . . .'.

In the same way, here the President may, with the approval of Parliament by way of a law which has been passed, *viz.*, Act 33 of 1951, subject to the many conditions which Parliament in its wisdom laid down, after consulting the Minister in charge, shall appoint. So, it is subject to all this. The appointment is a clear direct appointment by the Government of India.

18.05 hrs.

[MR. SPEAKER *in the Chair*]

Taking the over-all position, I would like to say that such a high post as that of the Comptroller and Auditor-General who is called upon to do the audit and help the finance of the entire country, should not be lowered so easily. I should have welcomed if, even before the call attention notice was given by my hon.

friend Shri Vittal Rao and others, the Finance Minister had come before the House and told us that they were going to appoint so-and-so as the Chairman of the Finance Commission. That would have at least given an opportunity to the House immediately to raise objections and give suggestions to the Government. Now, there has to be a question first. In that question, Shri Nath Pai asks why another man who was chosen before as Chairman has been given up, and then only the House knows that the former Comptroller and Auditor-General was adopted in place of another gentleman equally qualified, probably much more qualified, and suited under this Act itself, because all that the Act says is that he must have had experience in public affairs. Such a person was available. If the Minister had come to the House, I am sure the House would have advised him properly and he would have desisted from this appointment.

Mr. Speaker: Shri Braj Raj Singh. I will call Shri Mathur also.

Shri Nathwani: I also want to participate.

Mr. Speaker: Only one hour was allowed.

Shri Morarji Desai: I hope I will have some time. Otherwise, I will again be charged with casualness.

Shri Khadilkar: Yes, it is a casual statement. It has not taken a serious view of the matter.

Mr. Speaker: A statement can only be casual.

Shri Khadilkar: He has not taken such a serious view of the matter. In that sense I say.

Mr. Speaker: The hon. Minister is here. He will answer.

श्री ब्रजराज सिह : अध्यक्ष महोदय, कौलिंग अटेंशन नोटिस के सम्बन्ध में जो उत्तर वित्त मंत्री महोदय ने दिया उस से ऐसा लगता है कि वह इस नियुक्ति को सिर्फ एक आधार पर उचित ठहराते हैं और वह आधार यह है कि यह आफिस गवर्नमेंट आफ इंडिया के अन्तर्गत नहीं है । मैं सिर्फ इसी प्वाइंट को लेना चाहता हूं क्योंकि और दूसरे प्रश्न अन्य माननीय सदस्यों ने इस सदन में रख दिये हैं और इसलिये मैं इसी प्वाएंट को लेना चाहता हूं कि यह आफिस गवर्नमेंट आफ इंडिया के अन्तर्गत है या नहीं ।

अभी कानून मंत्री महोदय ने और वित्त मंत्री महोदय ने भी श्री तंगामणि के बीच में बोलते हुये कहा कि इस फाइनेंस कमिशन के चेअरमैन का हटाया जाना (रिमूवल फ्राम आफिस) कहीं पर यह नहीं लिखा है कि किस तरह से होगा और शायद वह इस प्रकार की दलील देना चाहते हैं । मैं इस सम्बन्ध में निवेदन करूंगा कि इस फाइनेंस कमिशन मिसलेनियस प्राविज़स ऐक्ट १९५१ की धारा ४ को पढ़ें तो उस से पता लगेगा (पर्सनल इंटरेस्ट टु डिसक्वालीफाई मैम्बरर्स), उस में अगर किसी प्रकार का या उस के साथ साथ चेअरमैन का कोई पर्सनल इंटरस्ट होगा या उसके साथ

> "Before appointing a person to be a member of the Commission, the President shall satisfy himself that that person will have no such financial or other interest as is likely to affect prejudicially his functions as a member of the Commission; and the President shall also satisfy himself from time to time with respect to every member of the Commission that he has no such interest and any person who is, or whom the President proposes to appoint to

[श्री ब्रजराज सिंह]

> be, a member of the Commission shall, whenever required by the President so to do, furnish to him such information as the President considers necessary for the performance by him of his duties under this section."

मेरा तात्पर्य यह है कि अगर किसी प्रकार का या चेयरमैन का कोई इंटरेस्ट कायम हो जाता है जिन उद्देश्यों की पूर्ति के लिये जिन कर्तव्यों के पालन करने के लिये वह एपायेन्ट किये गये हैं तो फिर न सिर्फ इतना ही अधिकरा प्रेसीडेंट को और प्रेसीडेंट के माने भारत सरकार को हैं कि वह ऐसे व्यक्ति का एप्वायेंटमेंट न करें, नियुक्ति न करे बल्कि यह अधिकार भी हासिल है कि अगर इस तरीके का कोई इंटरैस्ट कायम हो जाता है तो ऐसे व्यक्ति को उस पद से हटा दे। हमारे संविधान में तीन ऐसी व्यवस्थायें हैं, जिन में तीन हाई आफिसर्स को हटाने के लिये खास प्राविजन्ज रखे गये हैं और वे आफिसर्स हैं सुप्रीम कोर्ट के चीफ जस्टिस या जज, कंट्रोलर एंड आडिटर जेनरल और चीफ इलैक्शन कमिश्नर। उन में यह कहा गया है कि अगर उन को प्रूव्ड मिसबिहेवियर या इनकैसेसिटी के लिये भी हटाया जाये, तो वह तभी किया जा सकेगा अगर पार्लियामेंट में मौजद सदस्यों के दो तिहाई बहुमत से यह मोशन पास कर दिया जाये कि उनको प्रूव्ड मिसबिहेवियर या इनकैपेसिटी के लिये हटा दिया जाये। तात्पर्य यह है कि इन अधिकारियों को हटाने के लिये बिल्कुल वही व्यवस्थाये लागू होंगी, जो कि संविधान में परविर्तन या संशोधन के लिये लागू हैं। इन के अलावा इस सम्बन्ध में और कोई व्यवस्था नहीं है। यदि संविधान में किसी आफिसर के विषय में यह दर्ज नहीं है कि उसको कैसे हटाया जा सकता है, तो इसके साफ माननी ये हैं कि गवर्नमेंट उस को किसी दूसरे तरीके से हटा सकती है। संविधान के निर्माताओं ने जिन व्यक्तियों के बारे में यह महसूस किया कि उन को हटाने के लिये किसी विशेष व्यवस्था की जरूरत है, उन के लिये अर्थात् सुप्रीम कोर्ट के जज या चीफ़ जस्टिस, कंट्रोलर एंड आडिटर जेनरल आफ़ इंडिया और चीफ़ इलैक्शन कमिश्नर के लिये उन्होने विशेष प्राविजन कर दिया है। इन तीन अधिकारियों के अलावा किसी और के लिये संविधान में कोई व्यवस्था नहीं है।

जहां तक फ़िनांस कमीशन का ताल्लुक है, आर्टिकल २८० में यह साफ़ कहा गया है :-

> "The President shall, within two years from the commencement of this Constitution and thereafter at the expiration of every fifth year or at such earlier time as the President considers necessary, by order constitute a Finance Commission which shall consist of a Chairman and four other members to be appointed by the President."

उसके बाद पार्लियामेंट को यह अधिकार दे दिया गया है कि वह इस बारे में ला बना सकती है और पार्लियामेंट ने ला बना दिया है कि उनकी ड्यूटीज इत्यादि क्या होंगी। उस एक्ट में भी ––फ़िनांस कमीशन (मिस्लेनियस प्राविज़न्ज) एक्ट, १९५१ में भी ––फ़िनांस कमीशन के चेयरमैन या मेम्बर्ज़ को हटाने की कोई व्यवस्था नहीं है। इसके साथ ही उनको हटाने के लिए गवर्नमेंट को पार्लियामेंट में नहीं आना पड़ेगा, जैसे कि उसकी सुप्रीम कोर्ट के जजिज या चीफ़ जस्टिस, कंट्रोलर एंड आडिटर जेनरल और चीफ़ इलैक्शन कमिशनर को प्रूव्ड मिसविहेवियर या इनकेपेसिटी के लिए हटाने के लिए संविधान की व्यवस्थाओं के अनुसार इस पार्लियामेंट में आना पड़ता है। इसका अर्थ यह है कि इन अधिकारियों को वही अथारिटी हटा सकती है, जो कि उनको नियुक्ति करती है। वह कौनसी अथारिटी है, जो फ़िनांस कमीशन को नियुक्ति करती है? वह अथारिटी है प्रेजिडेंट, जिसके मानी हैं हिन्दुस्तान की सरकार।

उसका कौनसा मंत्रालय हो, इस से इस समय कोई मतलब नहीं है । यह स्पष्ट है कि जहां भी "प्रेज़िडेंट" शब्द का इस्तेमाल किया गया है, उस का मतलब है हिन्दुस्तान की सरकार। हिन्दुस्तानकी सरकार जिस व्यक्ति को एपायंट करती है, उसको प्रूव्ड मिसविहेवियर या इनकैपेसिटी या १९५१ के एक्ट में दिये गये इन्ट्रेस्ट होने आदि के दूसरे आधारों पर रिरमूव करने का अधिकार भी हमेशा उसको रहेगा । अगर वित्त मंत्री महोदय यह कहना चाहें कि सरकार को नियुक्त करने का अधिकार तो है, लेकिन इस में कोई व्यवस्था नहीं है कि वह उसको हटा सकें तो मैं उनसे यह पूछना चाहता हूँ कि क्या इसके मानी ये होंगे कि अगर फ़िनांस कमीशन के चेयरमैन और दूसरे सदास्यगण नियुक्त होने के बाद प्रूव्ड मिसविसेवियर या इनकैपेसिटी के दोषी हों, तो सरकार कुछ न कर सकेगी—उस समय सरकार क्या करेगी ?

Shri Morarji Desai: He cannat be removed.

श्री ब्रजराज सिंह : अगर उसको रीमूव नहीं किया जा सकता, तो a very sorry state of affairs will be created. मैं यह निवेदन करना चाहता हूँ कि वित्त मंत्री महोदय का यह कहना कि उसको रीमूव नहीं किया जा सकता, ग़लत है । जिन विषयों में रीमूवल के लिए विशेष व्यवस्थाओं की आवश्यकता थी, उनके लिए, संविधान में प्राविज़न कर दिया गया है और वे विशेष व्यवस्थायें केवल सुप्रीम कोर्ट के जजिज़ या चीफ़ जस्टिस, कंट्रोलर एंड आडिटर जेनरल आफ़ इंडिया और चीफ़ इलैक्शन कमिशनर के विषय में की गई हैं । इन तीन के अलावा और जितने गवर्नमेंट सर्वेन्टस हैं, उनको हटाने के लिये गवर्नमेंट आफ़ इंडिया को हमेशा अधिकार हासिल है । फ़िनांस मिनिस्टर का यह कहना कि यह आफ़िस गवर्नमेंट आफ़ इंडिया के अन्तर्गत नहीं है, बिल्कुल ग़लत है । इन आफ़िसिज़ का क्रीएशन गवर्नमेंट आफ़ इंडिया करती है, उन पर व्यक्तियों को एपायंट करती है और जिन को वह एपायंट करती है, उनको प्रूव्ड मिसविहेवियर या इनकैपेसिटी आदि कारणों से, जो कि दूसरे आफ़िसिज़ के विषय में भी लागू हैं, हटा भी सकती है । काल अटेंशन नोटिस के बारे में वित्त मंत्री ने यह कहा कि यह आफ़िस गवर्नमेंट आफ़ इंडिया के अन्तर्गत नहीं है और संविधान में कंट्रोलर एेंड आडिटर जेनरल के लिए यह व्यवस्था है कि वह गवर्नमेंट आफ़ इंडिया या किसी स्टेट के अन्तंगत कोई आफ़िस होल्ड नहीं कर सकेंगे, इसलिए उनके लिए यह डिसक्वालिफ़िकेशन नहीं है—वह यह आफ़िस होल्ड कर सकते हैं । मेरा यह निवेदन है कि फ़िनांस मिनिस्टर का यह सोचना बिल्कुल ग़लत है । यह आफ़िस गवर्नमेंट आफ़ इंडिया के अर्न्तगत है, इस लिए कि गवर्नमेंट आफ़ इंडिया उसे एपायंट करती है, उसके फ़ंड्ज़ से उसको पेमेंट होता है और उसको यह इन्हेरेन्ट पावर हासिल है कि जब चाहे तब वह उसको कुछ आधारों के होते हुए हटा सकती है । अगर संविधान के निर्माताओं का यह उद्देश्य रहा होता कि फ़िनांस कमिशन के चेयरमैन के बारे में भी वही व्यवस्था रखी जाये, जो कि सुप्रीम कोर्ट के जजिज़ और चीफ़ जस्टिस, कंट्रोलर एंड आडिटर जेनरल आफ़ इडिया और चीफ़ इलैक्शन कमिश्नर को हटाने के विषय में रखी गई है, तो संविधान में यह व्यवस्था ज़रूर रही होती । चूंकि उसमें यह व्यवस्था नहीं है, इसलिए इसके साफ़ मानी ये हैं कि संविधान के निर्माताओं का लक्ष्य यह था, मन्शा यह था कि फ़िनांस कमीशन के चेयरमैन को गवर्नमेंट आफ़ इडिया उसी तरह एपायंट और रीमूव कर सकती है, जैसे कि और गवर्नमेंट आफ़ इंडिया सर्वेन्ट्स को। मेरा निवेदन यह है कि फ़िनांस मिनिस्टर की इस दलील का कोई आधार नहीं है ।

[श्री ब्रजराज सिंह]

इन तीन आफ़िसिज़ के अलावा और किसी के बारे में संविधान में व्यवस्था नहीं है । अगर संविधान के निर्माताओं का इस बारे में कोई इरादा होता, इन्टेन्शन होती, तो संविधान में जरूर उसकी व्यवस्था होनी चाहिए थी । चूंकि उस में कोई व्यवस्था नहीं है, इस लिए फ़िनांस कमीशन के चेयरमैन या दूसरे सदस्यों की अलग से कोई हैसियत नहीं है--उनकी वही हैसियत है, जो कि दूसरे गवर्नमेंट सर्वेन्ट्स की है ।

फ़िनांस मिनिस्टर ने काल अटेन्शन नोटिस के जवाब में यह भी कहा कि चूंकि हम फ़िनांस कमीशन के कर्तव्यों में इन्टरफ़ीयर नहीं कर सकते, कोई दखल नहीं दे सकते, इस लिए हमें कोई ऐसा अधिकार नहीं है । मैं यह निवेदन करना चाहता हूँ कि सरकार उसमें इन्टरफ़ीयर कर सकती है या नहीं, यह सवाल नहीं है । सरकार इन्टरफ़ीयर तो इलैक्शन कमीशन, कंट्रोलर एंड आडिटर जेनरल आफ़ इंडिया और सुप्रीम कोर्ट के कर्तव्यों में भी नहीं कर सकती है, लेकिन उन पदाधिकारियों को प्रूव्ड मिसबिहेवियर या इनकैपेसिटी के कारण हटाने के लिए संविधानिक व्यवस्था की गई है । इस लिए उनकी यह दलील कोई वज़न नहीं रखती है ।

मैं यह निवेदन करूंगा कि हम इस तरह की परम्परायें डालें कि जिससे इस देश के संविधान की प्रतिष्ठा को धक्का लगने की आशंका न हो । सरकार की ओर से जो कुछ किया गया है, उससे संविधान की प्रतिष्ठा को धक्का लगने की आशंका है । कल इस तरह की और बातें हो सकती हैं । सोशलिस्टिक पैटर्न आफ़ सोसायटी की स्थापना के उद्देश्य से सरकार कई कार्पोरेशन्ज़ कायम करने जा रही है, जो कि उचित है । कल एल० आई० सी० या किसी और कार्पोरेशन के आफ़िस का प्रश्न आता है, तो सरकार क्या कहेगी । क्या तब भी वह कहेगी कि वे आफ़िस गवर्नमेंट आफ़ इंडिया के अन्तगत नहीं हैं—They are not offices under the Government of India? इस तरह की दलील देना बिल्कुल ग़लत है । आवश्यकता इस बात की है कि अगर कोई ग़लत स्टप उठाया गया है, कोई ग़लत कदम उठाया गया है, तो सरकार को स्वयं उसको रीट्रेस करना चाहिए । जसा कि श्री खाडिलकर ने कहा है, सरकार इस बात की इन्तजार न करे कि कोई व्यक्ति इस बारे में सुप्रीम कोर्ट तक पहुंचे और उसके माननीय जजों से यह रूल इस्यू कराए कि यह संविधान की व्यवस्थाओं के खिलाफ़ है, इस लिए इन को हटाया जाये ।

Shri Harish Chandra Mathur (Pali): This discussion arose out of the appointment of Shri A. K. Chanda, ex-Comptroller and Auditor General as Chairman of the Finance Commission. Objection is taken to this appointment on the basis of the provisions of article 148(4) of the Constitution which says:

> "The Comptroller and Auditor-General shall not be eligible for further office either under the Government of India or under the Government of any State after he has ceased to hold his office."

It should be obvious to anyone that this provision has been made to give absolute independence to the holder of that office so that he may discharge his very onerous and difficult duties in criticising Ministers and Ministries of the Government in such a manner. There should be no allurement for him and he should have nothing to look forward to in the future after his retirement. That is the basis and the objective.

I have not the least hesitation in saying that Shri Chanda while holding his office had enjoyed almost an enviable reputation for independence I am fully prepared to say that he has not accepted this office as any allurement. I am fully prepared even to subscribe to the view that he never

looked for such office and he may have accepted it only to help the country in discharging certain responsibilities. I am also prepared to accept that the Finance Minister in recommending to the President the name of Shri Chanda for this appointment had no other objective; he has had no ulterior motive and he must have done it with the best of intentions to find the most suitable person who can discharge the responsibilities of the Chairman of the Finance Commission. While I fully accept these in respect both of the Chairman of the Finance Commission as well as the Finance Minister, I have not the slightest hesitation also to say that I do not feel at all happy about this appointment.

I have two reasons why I say so. My first reason is this. It may be argued that this office is not an office under the Government of India which appears to be a line which the Government want to take. But, why do they say so? Is it that they want to stand on absolutely technical grounds? Does that technical ground justify or fulfil the objective which was in the minds of the constitution-makers? The crux of the point is this. Whether by simply satisfying a legal quibble or being technically correct, you are fulfilling the objective which led the constitution-makers to put this provision here?

It is said that he is not a full-time office-holder. I do not know how we can reconcile ourselves to that position. I know that even some of those members who have been apointed on this Commission are full-time and they are paid full-time salaries. If you find it absolutely necessary for the members to be full-time workers, what is the justification to say that the Chairman will not have to do full-time work? It may be an eyewash. We can explain it away like that. That is another matter to say that he will not be drawing any salary. Mr. Speaker, you will readily agree that it is not the salary that matters. There are thousands and thousands of people who do not hanker after salaries. There are many people here who could have got higher salaries which they have sacrificed by coming to this House. (*Interruptions*). Salary is not a very important consideration while we think of making these appointments.

Therefore, it is my feeling that even if the Government may be technically correct, even if the view may be upheld by the Supreme Court that this is not an office under the Government of India, I think, the hon. Finance Minister has not been well advised or has not been correctly advised in recommending this appointment.

Mr. Speaker: In case the office falls vacant who appoints another?

Shri Morarji Desai: The President.

Mr. Speaker: The President, on the advice of the Government. Therefore, the Government appoints this person. Under the General Clauses Act has not the person who appoints the right to remove the person?

Shri A. K. Sen: The statute provides for this.

Mr. Speaker: Where is it? There is nothing, no specific provision, for removal at all under the Act.

Shri A. K. Sen: The appointment itself is for a period of years. The President cannot appoint without specifying the period.

Mr. Speaker: If he becomes disqualified or otherwise?

Shri Morarji Desai: That is also provided.

Shri A. K. Sen: The statutory disqualifications are provided by Parliament.

Mr. Speaker: Is the opinion of the Law Minister that once a person is appointed for a period he cannot be removed even for misconduct?

Shri Morarji Desai: Sir, it is provided. (*Interruptions*).

Mr. Speaker: If a person is appointed to a particular post, does it mean he will continue irrespective of misconduct?

Shri A. K. Sen: If the period is specified.... (*Interruptions*). Let there be some patience. The question has been put and not answered.

Mr. Speaker: Has the hon. Minister got the General Clauses Act?

Shri A. K. Sen: The power of appointment carries with it the power of removal. If you look at article 280 of the Constitution, you will find—

> "Parliament may be law determine the qualifications which shall be requisite for appointment as members of the Commission and the manner in which they shall be selected."

Mr. Speaker: It does not say about dismissal.

Shri A. K. Sen: The manner of selection carries with it the manner of removal under the General Clauses Act. If the manner of selection is vested in Parliament....

Mr. Speaker: Therefore, by an Act of Parliament can this gentleman become a Supreme Court Judge? It is only a Supreme Court Judge who has to be removed by Parliament under the Constitution.

Shri A. K. Sen: If the Parliament so choose they could have provided in the Act itself the manner of removal.

Mr. Speaker: Not even selection.

Shri A. K. Sen: If the selection is vested in Parliament the removal must also be under the General Clauses Act.

Shri Braj Raj Singh: It is implied.

Mr. Speaker: The authority to select is not here, the authority of removal is not given here. Under the Constitution the authority to appoint is vested in the President. The authority to appoint is not given by the Parliament but by the Constitution. Is it open to the Parliament to say that the President shall not appoint or a Commission shall be appointed?

Shri A. K. Sen: No, Sir.

Mr. Speaker: Let me see one after the other. Now, if the authority to appoint vests in the President—that means, the Government of India—then only the manner or the method of selection and the qualifications are given here. Is it open to the Parliament to take away the ordinary power of the President or whoever appoints him to remove him and say: "No, you shall not remove him"?

Shri A. K. Sen: It is the manner of selection.

Mr. Speaker: But does the manner of selection take away the power of appointment or the power of dismissal. The power of dismissal goes with the appointment. It is open to the Parliament to say that he shall not dismiss him notwithstanding the fact that he does not do any work?

Shri A. K. Sen: It is open to the Parliament to provide the manner of selection and that the President cannot exercise the power of appointment without following the procedure laid own.

Mr. Speaker: That he has done.

Shri A. K. Sen: Therefore, if the Act itself does not give the President power to remove the incumbent during the period prescribed in the appointment the President cannot do it.

Mr. Speaker: Apart from the qualifications proposed in the Act of Parliament, is it open to the Parliament to say that notwithstanding this a Supreme Court Judge can be appointed?

Shri A. K. Sen: The qualifications are to be prescribed under article 280.

Mr. Speaker: We will assume that these questions are admitted. It is admitted that it is a government appointment. It may be an office of profit or not, but all the same it is an office.

Shri A. K. Sen: Of course, it is an office.

Mr. Speaker: These things are conceded. It is an office and the power of appointment vests in the President—that means the Government of India. The Parliament is asked to prescribe the qualifications necessary and the disqualifications on which he ought not to be appointed. The selection, all the same, vests with the President. The mode of selection....

Shri Morarji Desai: Sir, may I say that you may be pleased to hear me when I have to reply?

Mr. Speaker: Very well. Because they are raising questions here......

Shri Morarji Desai: I have understood the questions, and you might permit me to reply to them.

Mr. Speaker: Why should he have any doubts about it?

Shri Morarji Desai: Because they seem to be settled by cross-examination.

Mr. Speaker: No, no.

Some hon. Members *rose*—

Mr. Speaker: Order, order. I am very sorry the hon. Minister also should have committed the same mistake as some hon. Members do. So far as the House is concerned I am also a Member of the House. Apart from that, the House must understand what exactly the situation is. Is it not necessary that the Auditor-General to whom references are made from time to time and whom we expect to advise us and make a report on the appropriation accounts should be a person who can be absolutely depended upon for those purpose without fear or favour? Therefore, I am interested in this and the House is interested. I am interested in seeing that this House understands what exactly the position is.

Shri Morarji Desai: I may submit, Sir, that I have not disputed your authority or your function in any sense. I am only saying that the issues in this are very well put. Now it is a matter of my trying to clear them.

Mr. Speaker: I agree.

Shri Morarji Desai: If that is not allowed to be done, then how am I going to do it? That is all that I was going to say.

Mr. Speaker: Why should he come to the conclusion that he is not going to be allowed?

Shri Morarji Desai: Because the examination goes on.

Mr. Speaker: I shall sit till midnight today. The hon. Minister may take as much time as he likes to explain the matter according to his intentions. But, in the meanwhile, if he should be impatient if I put some questions which have been raised, I do not know what to say about this matter.

Shri Morarji Desai: I shall certainly reply to the questions which you have raised.

Mr. Speaker: Very well. Shri Harish Chandra Mathur.

Shri Harish Chandra Mathur: Mr. Speaker, this provision that Parliament may determine the qualifications, the conditions of service, etc., is there. Also, the provisions in respect of the Comptroller and Auditor-General—his service conditions and various other things are also there. So far as the question of appointment

[Shri Harish Chandra Mathur]

is concerned, the appointment both of the Chairman as well as other members of the Finance Commission has also been provided for in the Constitution through its various provisions. Until and unless the Constitution is amended that provision stands. There are provisions relating to the appointment and consequent removal also, so far as the Comptroller and Auditor-General is concerned. There is also a provision to the effect that he shall not hold any office after retirement, and it is also clear that Parliament can make any rules and prescribe terms and conditions in relation to this office. The Constitution has provided that Parliament may make certain rules and determine, by the rules, certain conditions and terms regarding the appointment. So, the Constitution has not left anything uncovered, even for Parliament, namely, that there shall be no appointment for the Comptroller and Auditor-General, after retirement, to any office.

Therefore, so long as the Constitution provisions stand as they are, I feel that this appointment is not well-advised. Even if I say that it may be technically correct to have made this appointment, what happens is, this is a matter on which there can be two opinions. The hon. Finance Minister may give a very sound exposition and he may give an opinion and he may be supported in that opinion by the Attorney General, but, all the same, it is just one opinion, and there is a strong opinion on the other side. Therefore, when I mention the propriety and the advisability of this appointment, I think I am on very sound lines that in certain matters, even if they are technically correct, and even if there is a very strong opinion which is supported by something else, it is not at all advisable to make an appointment.

Secondly, does the hon. Finance Minister believe that everyone in the country, most of the people who are interested in such matters, will be able to appreciate all these things? We must create a sense of confidence in the minds of the people that this Government does not do anything which is doubted, which is not only not correct but which is not above suspicion and doubt. Particularly in such matters, where the Constitution has made several provisions, I think it is advisable and it is correct—and propriety admits it—that we should do nothing over which there is any doubt or any suspicion.

Having said this much, I wish to say why I oppose this on another ground also. Almost all these appointments of retired people arise out of a particularly very wrong mentality on the part of the Government. There seems to be a mentality and attitude developing in our Government that there are only certain people who are indispensable for anything and everything in this country and that this country is bankrupt of all talent, and that there are no people in this country except a few who are before the Government's eyes and who can be given all these responsible appointments.

What has happened in the U.S.A. recently? In the recent appointments made to the Cabinet there, almost everybody is below the age of 50. There is hardly anyone who is above this age-limit—perhaps there are just one or two. I think we are doing something very prejudicial to the interests of the country and to the development of talent in this country. When we feel that only 60, 65 or 70 is the qualifying age for anything and everything, are we not giving an impression to the country that we have had to make this appointment, that we were forced to make this appointment because there is no talent in the country, that there are no better people available in the country who can be appointed as Chairman or members of the Commission? This sort of impression and attitude on the part of the Government on the one hand and this sort of attitude and impression which is created in the country are very prejudicial to the development of talent in the country. We do not permit talent to blossom and develop in the country. I am sure there are many people in the country who will be able to discharge these duties and if a few are not appointed, the heavens would not fall. The attitude that if a few are not appointed, the duties and responsibilities will not be discharged and we will not be able to carry on is wrong. I wish that the Government revise their attitude in these matters and they think of a larger circle in this country than confine their eyes to a certain people, who have given really good performance, no doubt. As I said, I do not know the circumstances, but I am fully prepared to believe that Shri Chanda has not been allured into this office and that he has taken up this office only to help the country and the Government. That may be so; but still on the ground of propriety, on the ground of availability of people, I stoutly oppose it. We do not want any impression to be created in the country that we are forced to make any such appointments.

Shri Nathwani: Mr. Speaker, Sir, till I heard the last speaker, I thought that the issue before the House was a simple one, *viz.,* whether the appointment of Shri Chanda is in violation of the principles and tenets laid down in our Constitution, whether his appointment, in other words, is against the provisions of article 148. The hon. Mover and those who followed him referred to the commentary of Shri Basu on this article. But before we go to the commentary of any text-book writer, it is desirable that we concentrate on the text itself.

If we look to the text, the material words are these: Sub-clause (4) says as follows:

> "The Comptroller and Auditor-General shall not be eligible for further office either under the Government of India or under the Government of any State after he has ceased to hold his office."

Therefore, there are two questions befort the House. The first is whether his present appointment is an appointment for further office. You will be pleased to underline the words 'further office', because I am going to explain hereafter that there are different words used in different articles and the word 'further' is advisedly used in this article. The second question is whether such an office is under the Government of India. I submit that neither of these two conditions is satisfied in this case.

It is not a "further office." Here I invite the attention of the House to the words 'office of profit' which occur in several articles. In articles 58, 66, 102, 191 and 158, the expression which is used is 'office of profit'. In this case we find the expression 'further office'. Those who drafted the Constitution were fully alive to the divergence or the different expression that was being used in sub-clause (4). In other words, it means in this context, the person will not be eligible for an office which is similar to the office which he held till he vacated that office. In other words, you have to see whether he is being appointed to an office which is similar to the one which he occupied prior to his retirement—similar in the sense of carrying remuneration. That is the import or the significance of the word "further office".

Shri Braj Raj Singh: Similar.

Shri Nathwani: Yes, it means "Similar office". It means that he must be appointed to an office similar to the one which he was occupying. Therefore, you have to see the profit which he derives in this context. It is not suggested that....

Mr. Speaker: What is the other office equal to the office of the Auditor-General?

Shri Nathwani: The test is to see whether which he is likely to get remuneration. That is one of the most important tests.

Mr. Speaker: Is it not open to us to say that with respect to this officer, who is held supreme, even an office without salary ought not to be accepted? Of course, the question of the office of profit is there. If there is no office of profit, it is open to others to accept that office. But here, even though there is no profit, could we not say that the Auditor-General, for the sake of prestige, should not accept that office? Can we not make it more stringent in the case of the Auditor-General who has held a high office? Could we not make it wider and say that he shall not accept an office of profit or an office even without profit?

Shri Harish Chandra Mathur: Then, according to his argument, the Auditor-General can be appointed an Ambassador or a Governor.

Shri Nathwani: I am not saying that.

Shri Harish Chandra Mathur: Because, that is not a 'further office" or "similar office".

Shri Nathwani: You have to see the remuneration; you have to see the words which are used in other articles. There the words are "office of profit". Here the words used are "further office". Therefore, you have to bear in mind the remuneration aspect as well as the duties that are to be discharged by that officer. Here we have to take into account not merely the pay but also the position, the rank etc. We must give some weight to the word "further", and that is the interpretation that I am asking this House to adopt.

Otherwise, it would have been very simple to say that he will not be eligible for any office and the whole meaning would have been clear; they could have mentioned "office", irrespective of whether it is an office of profit or not. But here the word "further", and that is the interpreta- this context that his post for which he is ineligible should carry remuneration. That is the first submission.

Secondly, even if it is an office of profit, is it an office under the Government of India? The hon. Member who raised this question and other who followed him made it clear that in the Act there is a power of removal. Because, unless there is power of removal also vested in the Government it will not amount to an office under the Government of India. Because, though not conclusive, though not final, still one of the tests is whether the Government of India has the power to appoint and remove that particular officer; and that is why this controversy about their being a power in the Government, or in the President, to remove him has arisen. I venture to suggest that there is no power, either in the President or in anybody else, to dismiss him, to remove him, even though there might be misconduct during that particular period. Here it is to be noticed that in these articles, articles 280 and 281 onwards, there is no power of removal given either to the President or to any other body, whereas in other articles similar power has been given in the case of Judges to the Supreme Court and other persons, and for a very good reason. The difference will be very clear. Because, we have to bear in mind that this office is of a temporary period, it is not a continuing post, just as in the case of a Supreme Court judge, Election Commissioner and so on. Here, the work is to be finished within a year or two, and that is why it was not considered necessary to think of the possibility of removing that incumbent on the ground of misconduct or other reasons. He will disqualify himself as being a member if certain contigencies occur, but he would be appointed for a specific period and during that period, it must be borne in mind, he is not an employee in the sense of being a servant of the Government of India. Therefore the analogy of the master dismissing a servant who might have been appointed by him for a fixed number of years does not hold good in this case.

Shri Braj Raj Singh: Does he mean to say, even if for the sake of argument we assume that a person holding that office goes mad, that he shall not be removed?

Shri Nathwani: It is so provided by Parliament.

Shri Morarji Desai: He becomes disqualified immediately.

Shri Nathwani: Our trouble is that those who have spoken here have not tried to take care....

Mr. Speaker: In some countries there are political appointments. Can the Comptroller and Auditor-General be appointed as a High Court judge? We will assume that he can be appointed a High Court judge. Will he then be under the Government of India or not?

Shri Morarji Desai: Simply because he is removable under certain circumstances?

Shri Nathwani: Under the relevant provisions of our Constitution, in the hypothetical case you are suggesting, it will be possible to remove him by resorting to the machinery provided for in the Constitution.

Shri Naldurgkar (Osmanabad): Suppose he is convicted of an offence. Will he still continue in office?

Shri Nathwani: Parliament has already provided for that. Those who ask questions like this have not studied the Finance Act itself where there are four contingencies provided in which he would cease to hold the office. He might become a lunatic; he might commit an act of moral terpitude or he might acquire some interest. Therefore all possible contingencies during the short period of a year or two when the Commission might be functioning have been taken into account and due provision has been made.

Mr. Speaker: It is open to the Government to appoint particular persons on a contract basis for five or six years. They serve on a contract not in a permanent job but for four or five years as experts. They come and go. Are they Government servants or not?

Shri A. K. Sen: Of course, they are because they are under the control and direction of the Government.

Mr. Speaker: Here also the President can ask from time to time whatever information he wants.

Shri Nathwani: He may ask for information, but so far as his duties are concerned they are provided for under the Constitution itself. The procedure that has to be followed is to be provided for by the Commission itself.

Mr. Speaker: A district magistrate is appointed by the Government but he acts under the Procedure Codes. Government has no right to interfere in any act of his so far as usual matters are concerned. Is he a Government servant or not?

Shri Nathwani: No.

Shri A. K. Sen: May I answer that? If it is a purely judicial function and if he is not controlled in the discharge of his duties by the Government, the Supreme Court has held in the case of the Registrar of a High Court that he is not a Government servant.

Shri Morarji Desai: He is not a Government servant.

Shri A. K. Sen: The Supreme Court has said so. The question put by the Supreme Court was: In the discharge of his duties is he under the control and supervision of the Government? In answering the question whether the Registrar was a Government servant or not, the Supreme Court has held that he is not.

Mr. Speaker: Therefore a Member of Parliament can be a magistrate drawing a salary because he is not a Government servant? Because a district magistrate is not a Govern-

[Mr. Speaker]

ment servant, a Member of Parliament can both be a district magistrate and a Member of Parliament?

Shri Morarji Desai: A Member of Parliament is disqualified under another Act of Parliament. He cannot be a salaried servant of Government.

Mr. Speaker: A Member of Parliament is disqualified only if he accepts an office of profit under the Government. But if it is not an office under the Government, a Member of Parliament can be a first-class magistrate, a district magistrate and also a Member of Parliament.

Shri A. K. Sen: As I said, if a district magistrate's functions are purely judiciary in the discharge of which he is not under the control of Government....

Mr. Speaker: We will assume it to be a district judge.

Shri A. K. Sen: Even the district judge discharges many functions in the discharge of which he is under the administrative jurisdiction of the Government, for instance, in company matters and in various other matters.

Mr. Speaker: What about a munsif?

Shri A. K. Sen: I cannot answer it off-hand. But, as I said in determining whether the Registrar of a High Court......

Mr. Speaker: He is not a Government servant in the sense that the Government as the appointing authority has no right to interfere with his judgments. Otherwise, he is a Government servant for the purpose of appointment, transfer etc.—everything.

Shri Morarji Desai: He is by law a Government servant.

Mr. Speaker: Very well, there can be a difference of opinion.

Shri Nathwani: Here also, the Government cannot interfere with the work of the Finance Commission.

Mr. Speaker: That is all.

Shri Nathwani: Therefore, even taking the test which you, Sir, are suggesting, the Commission has not been acting under the Government. Therefore, it cannot be held to be an office under the Government of India. Neither of the two tests which are laid down under sub-clause 4 of article 148 are satisfied in this case. I do not see any constitutional objection or legal objection to the appointment of Shri A. K. Chanda.

Mr. Speaker: The hon. Finance Minister or Law Minister.

Shri Morarji Desai: I shall try to answer, Sir. I am sorry that my first statement which I made on the Call Attention Notice was considered casual by the hon. Member who opened his discussion. I could not imagine that hon. Members in this House were so suspicious of those who carry on the Government that the Government is not applying its mind to anything or that they are not interested equally with hon. Members to see that the Constitution is carried out in every aspect.

Shri Khadilkar: They are not infallible.

Shri Morarji Desai: I cannot be infallible, but I would not be casual. That is what the hon. Member mentioned that I mentioned casually. He is entitled to be casual at all times. I am not expected to be casual at any time.

An Hon. Member: Can't afford.

Shri Morarji Desai: If my hon. friend thinks that I was casual, certainly I would say that I was not acute enough to realise the suspicion of my hon. friend. I know that he has a very suspicious mind. But, I did not know that his suspicions would go to this extent. Therefore, I shall be more careful in future. That is all that I can promise.

You, Sir, have raised several points. I shall try to deal with them to the best of my capacity. The question is very pertinent and I am very thankful to hon. Members for raising this question in this House in this discussion. We cannot at any time be too careful in these matters, I grant readily. It is incumbent on all of us to see that we do not do anything which is contrary to the spirit of the Constitution, not only to the letter of the Constitution. I agree entirely with my hon. friends in this matter. I was, therefore, pained a bit when the attack came from my own side from a colleague, who said that this Government now seems to be thinking in terms only of retired people and does not find any tallent in this country. We'l, Sir, the hon. Member also is entitled to his opinion. That is all that I can say. But, if he thought that this Government is erring on wrong lines, his duty is clear. That is all that I can say.

In this particular matter, I would only say this. I agree that Caesar's wife must be above suspicion. But, how far should that suspicion be carried? Life will become absolutely impossible if any suspicion that is raised anywhere is to be taken into account and even a right thing has not to be done. In this case, an ex-Comptroller and Auditor General has been appointed as Chairman of the Finance Commission. The question is whether we are going against the letter and the spirit of the article of the Constitution which debars the Comptroller and Auditor-General from further office under the Government of India or a State Government. We did consider this question before his appointment. It was not that this was very casually done. This was there. We do consider all these problems at all times. There was another person who was going to be appointed, but he got ill, and therefore we had to change the appointment. At that time we consider all these questions, and going into it very thoroughly and carefully Government came to the conclusion that there was no bar to his appointment as Chairman of the Finance Commission.

Shri Tangamani: May I know whether the Attorney-General was consulted when the Government came to the conclusion?

Mr. Speaker: I would request hon. Members to note down any particular points which require clarification. I am sure the hon. Minister will certainly, even without questions being put, clarify the points raised. If at the end they find any important point unanswered, they can raise it.

Shri T. B. Vittal Rao (Khammam): In this context.

Mr. Speaker: The context will never disappear.

Shri Morarji Desai: You have said you are prepared to sit here till midnight. Who am I? I will certainly sit here till midnight and reply to all questions.

Mr. Speaker: I am only asking him not to interrupt.

Shri Morarji Desai: We, therefore, consulted my colleague, the Law Minister, and also found that there were opinions of the Attorney-General on record on the interpretation of these sections which covered this case also. The opinions of the Attorney-General and the Law Minister coincided. There was no difference of opinion in this matter. If there had been a difference of opinion on this, I should have certainly not taken a doubtful decision. That is the care that we take in these matters.

It is not merely painful to me that such a contingency should arise, it is not merely that Government is wrong. If it is wrong to do so, it would be wrong for the ex-Comptroller and Auditor-General to accept this position. I would not want to put him in that position, because I would be at fault in putting him to that position. I am not interested in it. It is very necessary to see that nobody is corrupted, but is there any attempt at corruption now or in the future in these matters? That is what has got to be seen.

In the first place, I would say that this is an office which has a limited tenure. It is not long at all, it is for a year. It is not a continuous office. Nor, as I said before, is there any salary for this. There is only a tour allowance given, and nothing more than that. Everything else is debarred. A free house, free electricity, everything is debarred. It is only a tour allowance for the days on which he works as Chairman. Therefore, there is no question of any extra allowance beyond what he has to spend at that time on the tour—not in his every day expenditure where he lives.

19 hrs.

The question is very relevant whether this is an office of profit or not. On these standards it is not an office of profit, but it is not mentioned in the article that it should be an office of profit. That is what can be easily argued. But it is mentioned in the article that he is not eligible for any further employment, for any further office. 'Further' does not mean an office which is similar or of the same type. There cannot be the same type of office of the Comptroller and Auditor-General. There is only one. Then, why did they mention 'further'? These words were not mentioned without any meaning or without any consideration. These words are not mentioned everywhere. These words are mentioned only in two cases. In the case of the Chairman of the UPSC, the words mentioned are 'further employment'. Here, the words mentioned are 'further office'? Why is it mentioned in this manner?

Mr. Speaker: Reappointment to that office.

Shri Morarji Desai: No, Sir. That is not merely the meaning. I do not take that meaning that in that case he can be appointed to any other office, that he can be appointed Secretary in the Finance Ministry. That is not the idea.

Mr. Speaker: The hon. Minister referred to the case of the Chairman of the UPSC. I am reading from the article relating to him. It reads thus:

> "...be ineligible for re-appointment to that office.".

Shri Morarji Desai: Or further employment. I hope you will have the patience to read further.

Mr. Speaker: I am reading from article 316(3).

Shri A. K. Sen: We are referring to article 319.

Shri Morarji Desai: I hope you will read that article also, namely article 319. It reads thus:

> "On ceasing to hold office—
>
> (a) the Chairman of the Union Public Service Commission shall be ineligible for further employment either under the Government of India or under the Government of a State.".

I am afraid you missed this.

Mr. Speaker: I am afraid the hon. Minister has not listened to me. I am referring to article 316.

Shri Morarji Desai: But that was not the only article which is relevant. This article is very relevant, and I am referring to that.

Mr. Speaker: I agree. The hon. Minister may also refer to article 316 (3).

Shri Morarji Desai: That is there.

Mr. Speaker: That article reads thus:

> "...be ineligible for re-appointment to that office.".

Shri Morarji Desai: That is all right. That is one. Then, there is a further ineligibility. That is under article 319. When I said 'further office' and I compared it with 'further employment' it was with reference to article 319 and not to article 316. Therefore, that is the article which is relevant in this. And I do say that on that a reference had been made to the Attorney-General also before, as to whether the Chairman of the Public Service Commission can be appointed to a committee appointed by Government; and on that, all these issues were raised by the Attorney-General, and he compared these words. If you want me to read that, I am prepared to read that paragraph.

Shri T. B. Vittal Rao: Please do.

Shri Morarji Desai: He said as follows:

> "Though the word 'office' or 'employment' may not in itself be restricted in its meaning to office which is remunerated or to employment which is paid, I think that in the context of these articles, what the erstwhile holders of office are made ineligible for are offices or employments of the kind held by them before they ceased to hold them, namely offices carrying remuneration or employment which is paid. I would gether this restrictions meaning from the expressions 'further', 'any other' and 'further' used in these articles. Having ceased to hold office or be employed, they are debarred from further employment, that is, such further employment. The language used would seem to indicate that the mind of the draftsman was directed to the kind of employment which the officer would cease to hold, and to make him ineligible for further employment of that kind in the Government.".

This was what he said, and then he gave his opinion. Surely, the Attorney-General is a very independent person. That will be granted by anybody. Therefore, there was no question of influencing him in giving these comments. These arguments were not brushed aside; all these questions were referred to him, whether this would mean this or whether this would mean that, and on that, he clarified this.

Therefore, Government is not wrong in considering that the office, that is, the further office that must be held must be an office with remuneration and not without remuneration. That is how Government views this matter. Otherwise, it would be said 'office'. Why 'further office'? Why is the word 'further' put in? That is how it is considered. That is one case.

There is another case. You referred to the General Clauses Act. I referred to the Act just now and I find that section 16 thereof reads as follows:

> "Whether by any Central Act or regulation a power to make any appointment is conferred, then unless a different intention appears, the authority having for the time being power to make the appointment shall also have power to suspend or dismiss any person appointed, whether by itself or any other authority in exercise of that power".

The words here are 'unless a different intention appears'. That is what is said here. Is there any different intention in this appointment which is made? That is what has got to be seen. We cannot interpret the law out of all context. We have got to interpret it very carefully from the words which are there. I am not a lawyer, that is, I am not trained as a lawyer. But I used to hold a judicial office and, therefore, I used to consider both sides. Therefore, I have some little capacity of interpretation in this matter, where perhaps I am more fortunate than my hon. friend opposite who did neither.

Shri T. B. Vittal Rao: He has got a judicial mind.

Shri Morarji Desai: The hon. Member who knows nothing about a judicial mind can never appreciate a judicial mind. I know that very well. Therefore, I do not mind it. His very interjection is a compliment to me.

Mr. Speaker: I asked him not to interject.

Shri Morarji Desai: They cannot give up their nature. How can they do so?

Shri Tangamani: The hon. Minister likes it.

Shri Morarji Desai: I enjoy that, because it shows you in your proper light. It enables me to do so.

Shri Tangamani: And *Vice versa*.

Shri Morarji Desai: Yes, certainly.

Mr. Speaker: Order, order. Let this not be carried on.

Shri T. B. Vittal Rao: Only he cannot stand cross-examination.

Shri Morarji Desai: Where it is not needed. Where it is needed, I stand for hours and days.

The appointment is made by the President, of course on the advice of the Government and the Minister concerned. That goes without saying. But if there was any question of an authority remaining for removing him, then when it was mentioned here about the term of office, why should they have provided for his resigning and not for his removal? That is very significant. They have provided for disqualification. They have provided for his resigning. They have not provided for his removal. That has also been deliberately done because Government must not change the Finance Commission once Government appoints it, because the Finance Commission must be as independent as the Comptroller and Auditor-General or any other office, because if it is not, then Government will not receive the advice which it wants. The Central Government is appointing a Finance Commission which take into account the States and the Centre. Therefore, it is necessary that the Finance Commission must not be disturbed.

It is because of that also that it has been provided in the Act itself that they will regulate their own procedure and they will regulate their own business. And the Constitution has provided for that. It is not even this Act; it is the Constitution which has provided that. They cannot be directed by me or by Government or by the President.

The disqualification under clause (4) also which was referred to here is a thing which is before the appointment; it is not after the appointment.

Shri Tangamani: There is clause (6).

Shri Morarji Desai: I am coming to that. As regards clause (4), the President has to verify beforehand, and he has verified. Therefore, that does not arise.

Then in clause (5), disqualifications are there. If he is of unsound mind, certainly he cannot be appointed.

If, in the course of doing his work he is declared to be of unsound mind, not simply because somebody says he is of unsound mind, then, he is debarred. Then he becomes ineligible and goes out. But there is no question of his being removed or dismissed.

Shri Braj Raj Singh: You said that there is no provision like that.

Shri Morarji Desai: There is a specific provision under certain circumstances. There is a law of Parliament. It is not by the free will of Government, or discretion of the President that that can be done. That is all that I am driving at.

Then, it is said, 'if he is an undischarged insolvent'. That again would have to be High Court's ordsrs: it cannot be otherwise.

Mr. Speaker: Does non-removal within a particular period take away the relationship of employer and employee?

Shri Morarji Desai: There is no power of removal.

Mr. Speaker: Where is it said that the power of removal is necessary to create an appointment?

Shri Morarji Desai: That is how the dictionary says.

Mr. Speaker: The General Clauses Act says that the power of employment means the power of removal also. But nowhere is it said that the power to give employment is equal to power to dismiss.....

Shri Morarji Desai: Even the Constitution does not provide for removal. It has provided for punishment etc. and beyond those powers we can do nothing. The Government cannot punish anybody beyond that. But these powers are deliberately provided. If the General Clauses Act was only sufficient, then, it was not necessary to burden the Constitution with all these things.

Mr. Speaker: I am afraid I have not made myself clear. As in the General Clauses Act the power of removal follows the power of appointment unless it is otherwise expressly expressed or the circumstances so permit......

Shri Morarji Desai: May I correct you, Sir? It is not said, 'expressly expressed'. It is, 'unless it is otherwise intended'. These words must be noted.

Mr. Speaker: All right, it is 'unless otherwise intended'. The power of appointment carries with it the power of dismissal. But it is nowhere said that the power of dismissal carries with it the power of appointment. The converse is not there. There can be a power of appointment and a person can become on employees notwithstanding the fact that under certain conditions there is no power of dismissal. For instance an employee is appointed for 5 years. Normally, under the contract, he will continue to be an employee. That does not militate against his position as an employee, merely because he cannot be removed. All the hon. Minister is urging is that there is no power of removal; and, therefore, he cannot be an employee.

Shri Morarji Desai: It is not only that. There must also be a power to give directions to the Commission. Are there powers to give directions to the Commission? Absolutely none. The Government cannot give directions to the Commission. I would certainly be happy if it is pointed out to me where there are powers of direction to be given to the Finance Commission. The Finance Commission is entirely independent in this matter. It has been deliberately done.

We have several independent offices and this is one of the independent offices. That is why this has been provided because it is necessary that this Commission should be independent. The Finance Commission must not work under the instructions of the Finance Minister or the Government. Because, otherwise, they will not be giving that opinion. which will have value. Therefore, it is provided so. Therefore, it is very clear to my mind. I do not know why doubts are raised. I won't say that these doubts cannot be raised. I can understand these doubts being raised, on a casual reference to these things. But I do not know if, on a deep consideration, these doubts can be raised. That is what I fail to understand. Therefore, I would rather request that there should be a deep consideration of this and not a casual consideration. (*Interruptions*). It is all that I am pleading for. Otherwise, one can be led away into having all sorts of different interpretations. There can be many interpretations wherever we go. But, in this particular matter, I do not think there can be any other interpretation.

[Shri Morarji Desai].

It is very clear that the Finance Commission is not within the control of the Government of India. This is certainly an office to which appointment is made by the Government of India. I won't say that it is not, because it is the President who appoints the Chairman; and if the President appoints it is the Government of India who appoints. On that score there is no doubt. But it is not within the control of the Government of India because that is what is provided in the Act itself, even in the Constitution. It is stated in article 280. These are all compulsory directions. There is no option left anywhere. It is stated here that the President shall appoint every five years. Therefore, even the President has got the appoint him whatever may be the case. There is no question of any option there. The only option left is to the Parliament to determine by law the qualifications which shall be requisite for appointment. That is the only option left. The Parliament may in its wisdom not make any law. Then the Government will decide that. But the Government came before Parliament and got this law enacted. The Parliament in its wisdom enacted this law and made the necessary provisions. The Government cannot say anything in that matter. The Government cannot vary these qualifications. It has been further said in this article:

> "It shall be the duty of the Commission to make recommendations to the President as to . . ."

It is their duty. They cannot avoid that. Then it is said:

> "The Commission shall determine their procedure and shall have such powers in the performance of their functions as Parliament may by law confer on them".

Not as the President may direct or as the Government may direct. It is absolutely clear. Then in article 281 it is said:

> "The President shall cause every recommendation made by the Finance Commission under the provisions of this Constitution together with an explanatory memorandum as to the action taken thereon to be laid before each House of Parliament."

Therefore, it is the authority of the Parliament, under the Constitution, which is responsible for this. It is not, therefore, a further office under the Government of India. There cannot be any doubt about it in my mind. If there had been any little doubt we should not have made this appointment.

I do not say there are no persons available. But I would say he is one of the fittest persons, and fittest persons for this office are few in this country or in any other country. It is not a question of this country alone. The country may be powerful. Every person may think he is fit for everything. That does not mean that everybody is fit to do every thing. We must have a sense of proportion. Everybody is fit to come to the legislature, but everybody is not fit to do every kind of work. That is also a distinction made by our Constitution. Therefore, it is not proper to say there are other people available and anybody can be appointed to this office. Other people would be available; it is not that they would not be available.

Shri Tangamani: Sir, I want to seek your protection. The hon. Minister made a certain reference to the Members of Parliament. I heard him say that everybody has a right to become a Member of Parliament and not everybody to hold certain offices. I would like to have your protection in this matter.

Shri Morarji Desai: I did not mean any disrespect to the House.

Mr. Speaker: Why should anybody underrate himself?

Shri Morarji Desai: I am not underrating. I am only say that it is only in the legislature that the right has been given to every person because everybody has got the unfettered right to direct the government of the country and therefore everybody is entitled to come to the House. But for all other places we have provided qualifications. Here there are only some disqualifications which must not be there. There are no other qualifications which are prescribed. That has been deliberately done. Why should that be taken as an affront, I do not know. I am one of them.

Mr. Speaker: I have repeatedly requested hon. Members that they should not make any reference to any hon. Member here. The temptation is there. I have advised hon. Members on this side—on the left side—that whenever something come up and there is a tendency to refer to ourselves it puts us in an embarrassing situation.

Shri Morarji Desai: If any embarrassment was caused, Sir, I am very sorry, because it was not my intention at all. But I should think, Sir, we in this hon. House ought not to be so very sensitive where sensitiveness is not required. That is what I thought. But if I am told so I would certainly not do it, and I shall be very careful in future.

Mr. Speaker: If anybody can be a Member—the hon. Minister will kindly resume his seat—here, anybody can have over-riding powers of the Attorney-General also. The same member who is qualified to be a Member of Parliament can become the President, can become the Prime Minister, can become the Finance Minister. It is not that the Auditor-General is superior to all those people here. Therefore, it is a peculiar privilege of a Member of this House. A casual—of course, I do not attribute any motives—reference has been made by the hon. Finance Minister. I want to enhance the prestige of the Members of this House, and I am sure the hon. Finance Minister is equally interested in doing that. Now some people outside may say: "Oh! he is a Member of Parliament". I do not want anybody to say that it is such an easy job to become a Member. We have come clothed with responsibility. We can hold the highest position in this country and equally hold the greatest responsibility in this country. I do not want any mistaken impression to be given. I do not want the hon. Finance Minister's statement here to be misquoted for some other purpose by persons who want to laugh at Members of Parliament. That is all my desire.

Shri Morarji Desai: It was therefore that I clarified the point. If I had not clarified it, that might be the meaning put on it.

Mr. Speaker: I agree.

Shri Morarji Desai: Therefore. I do not want to pursue the point. I am only saying that there cannot be any intention on my part—

Mr. Speaker: No, no.

Shri Morarji Desai: . . . to belittle myself, let alone my colleagues. I would not be so stupid to do that.

Shri Harish Chandra Mathur: It equally applies to the Finance Minister.

Shri Morarji Desai: It applies to me; it applies forcefully to me, because I am speaking now. Therefore, how can I commit that crime against myself?

Now, Sir, as I said, this is an office which is not debarred under the article which is quoted in this House by hon. Members, for all the reasons, under the law, that I placed before you. The Attorney-General has clarified these clauses and the meanings in previous cases—not in this particular case—which I would have liked to clarify, because I do not want

[Shri Morarji Desai]

to make any wrong quotation. Let it not be thought at any time even by inference that I have said that this is so and all that. As I said before, we have got other legal opinions taken before, on the interpretation of the words "further office", "further employment", etc., and all that applies to this office. It is all there.

Then, in spite of that, I was again careful enough to consult my hon. colleague, the Law Minister. After doing all this, we got this appointment made by the President. Therefore, there is no question of thought not having been given to this matter. How can there be any scope for any corruption if a person is appointed to a post like this, where there is no guidance, where there is no remuneration, where there is no advantage gained? And he is not exercising any power and is not going to rule anybody or order anybody, and on the contrary, it is an onerous duty which he has to perform and he may have to displease many people and perhaps satisfy none, and I do not know how anybody could be lured to this office of Chairman of the Finance Commission. It is only when some people want to perform a public duty even at the cost of popularity that they will join the Finance Commission and no others will want to come into it. Therefore, there is no question of there being any scope for any corruption or any allurement in this office. All those considerations governed us in making this appointment. I do not see how I would not have been well-advised in making this appointment. I personally consider that there is absolutely no infringement of any discretion or any good advice or any good test or any consideration which is relevant in this appointment. That is what I have got to submit.

Shri Braj Raj Singh: May I invite your attention to section 4 of the Finance Commission (Miscellaneous Provisions) Act 1951? The latter portion of section 4 says as follows:

> "and the President shall also satisfy himself from time to time with respect to every member of the Commission that he has no such interest and any person who is, or whom the President proposes to appoint to be, a member of the Commission shall, whenever required by the President so to do, furnish to him such information as the President considers necessary for the performance by him of his duties under this section."

My point is, this section provides that during the pendency of the appointment of the Chairman oif the Commission, the President is empowered to direct a member to give information with respect to these provisions. Suppose the person is disqualified after the report is received during the tenure of his office, will not the Finance Minister get him removed?

Shri Morarji Desai: There is no question of my getting him removed. If he is disqualified, he is disqualified. He goes.

Shri Braj Raj Singh: How?

Shri Morarji Desai: He goes automatically. He has to vacate.

Shri Khadilkar: Who decides the question of disqualification finally?

Shri Morarji Desai: The President will decide. (*Interruptions*).

Shri Khadilkar: It is you again!

Shri Morarji Desai: But the President cannot decide so easily like that. The President is not going to decide like that. The President is not an office which will be deciding in that manner. (*Interruptions*). It is an issue which can be taken to the court and can be decided. It is not an issue which can be decided without any consideration or without there being any doubt at all in the matter. The disqualifications have to be considered before the appointment and they are relevant. They are all prescribed by Parliament; they are not prescribed by executive authority.

Mr. Speaker: Rightly Shri Braj Raj Singh has raised this point. Of course, before appointment if there is any disqualification, he would not be appointed. That is clear. Unless the President appoints him, he cannot become a member merely because he has no disqualification. Likewise, is it stated here that automatically he ceases to be a member if he incurs a disqualification after appointment? Is it not necessary for the President to remove him?

Shri Morarji Desai: If he is of unsound mind, that must be judged by what? It is not the President calling him as being of unsound mind or my calling him. If he is an undischarged insolvent, that is also under the law. It cannot be the President's wish or Government's wish or desire or discretion that he can be removed. If he has been convicted of an offence involving moral turpitude, that also does not depend upon the judgment of the President. If he has any financial or other interest, that also will have to be referred to the Supreme Court.

Mr. Speaker: If a disqualification is there, does it require a removal by the President or not?

Shri Morarji Desai: It is not necessary. There is no such provision. He has to be convinced and the man disputes.

Shri A. K. Sen: This is a very common occurrence in the discharge of statutory duties. Where there is a statutory disqualification, it is not a question of discretion of the appointing authority to remove him or not. It is a statutory duty to see that he does not continue.

Mr. Speaker: Is a formal order necessary or not?

Shri A. K. Sen: No formal order is necessary. Only an intimation is necessary.

Mr. Speaker: If he continues to be there, what will happen?

Shri A. K. Sen: It will be the duty of the President to remove him. It is not the power of the President to remove him; it is the duty of the President. If the President does not do his duty of seeing that he does not continue, of course, a writ will lie not against the President, but against the Central Government.

Shri Braj Raj Singh: I am only referring to the conditions to which the Finance Minister himself referred. Section 4 says that the President shall satisfy himself that the person will have no financial interest or other interest as is likely to affect prejudicially his functions. Supposing this disqualification is incurred during the pendency of the term, what does he do then?

Mr. Speaker: That is what he said. It will be the duty of the President to remove him.

Shri Braj Raj Singh: Does he have the power to do it?

Mr. Speaker: It is the duty of the President to appoint him and also to remove him in certain circumstances. All the same, it is not an employment. We are not deciding any issue here. We are only discussing.

Shri Tangamani: The Finance Minister was pleased to refer to the Attorney General in connection with the reappointment of the Chairman of the UPSC. While giving us information about this reappointment, he also referred to this further office. There are conflicting views about office and office of profit and further office. This case has arisen in connection with the Auditor General.

Mr. Speaker: He wants to know whether a specific reference may not be made?

Shri Tangamani: My submission is, the Attorney General may be made to give his opinion on this particular matter.

Mr. Speaker: We are not deciding the issue whether his appointment is *ultra vires*. I only wanted to give an opportunity to this House. Enough has been said and even more has been said. There is a half an hour discussion.

Shri Morarji Desai: May I say that this opinion was obtained in 1955? But in that, in one paragraph he has mentioned also the Comptroller and Auditor-General. It was that paragraph that was mentioned. He has considered that also.

Shri A K. Sen: That is why a specific reference of this case was not considered necessary.

RE: HALF-AN-HOUR DISCUSSION

Mr. Speaker: Is the House in a mood to have the half-an-hour discussion? We have sat so long.

Shri Nathwani (Sorath): We will have it in the next session.

Shri Tangamani (Madurai): When the question arose the hon. Deputy-Speaker was pleased to direct that one half-an-hour discussion may be taken up today and the other one during the next session.

Mr. Speaker: We will have two half-an-hour discussions, one after the other, tomorrow. Unlike today, we do not expect to sit till 7.30 p.m. with the other business. We will conclude the normal business at 5 O' Clock and we will sit till 6 O'Clock.

Shri Tangamani: May I suggest that mine may be taken up first tomorrow?

Mr. Speaker: Very well. I will give priority to this.

The Minister of Law (Shri A. K. Sen): I do not mind this being taken up today, because tomorrow I have a Cabinet meeting at 5 O'Clock.

Mr. Speaker: Can he not attend that at 5.30 after finishing this?

Shri A. K. Sen: Let us finish it now. I have answered so many questions on this subject. So, it will not take much time.

Mr Speaker: Very well. I am willing to sit.

Shri Tangamani: As you have directed, I shall be very very brief. On the 2nd December 1960, Starred question No. 636 was answered and this half-an-hour discussion arises out of the reply given by the hon. Minister. The main part of the question was about the recommendations of the Election Commission after the conclusion of the second general elections. Many recommendations were given and repeatedly questions were asked in this House.

Mr. Speaker: I ask the hon. Member: is this only to satisfy himelf? I remember, when the question was put, a number of hon. Members wanted to know what exactly was happening.

Shri A. K. Sen: I think the quesion was directed mainly with regard to the ascertainment of the Government's attitude regarding double member constituencies. Because, I think it would be fruitful if the hon. Member indicates which particular recommendation he thinks should have been implemented but has not been implemented.

Mr. Speaker: What I say is......

Shri Tangamani: May I point out that......

Mr. Speaker: Order, order. Am I not here to see that a full discussion takes place on this subject. There is no quorum now. Of course, we do not expect any puorum at this late hour. The subject of the Election

Commission is a very important one and every hon. Member is interested in it. It is not something between Shri Tangamani and the Law Minister.

Shri Tangamani: It can be taken tomorrow if you so desire.

Mr. Speaker: The hon. Minister can have this tomorrow at any time he likes.

Shri A. K. Sen: Can you have it at 4·30 P.M. tomorrow?

Mr. Speaker: I think it is possible. What is the business for tomorrow?

An hon. Member: Some Government business.

An hon. Member: Sir, there are eight members here, including yourself.

Mr. Speaker: We shall have the half-an-hour discussion at 4.30 tomorrow. If there is any other official business. we will take it up after this half an-hour discussion. Very well. I want this matter, where every hon. Member is interested, to be taken up early when there are many members.

Shri A. K. Sen: I shall be obliged if the hon. Member will indicate now which particular recommendation he thinks should have been implemented.

Mr. Speaker: He can do so. But we will adjourn now.

Shri Tangamani: I will tell you tomorrow.

Shri A. K. Sen: Let him tell me now.

Mr. Speaker: The House stands adjourned.

19.35 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Thursday, December 22, 1960/*Pausa* 1, 1882 (*Saka*).

[*Wednesday, December* 21, 1960/*Agrahayana* 30, 1882 (*Saka*)]

ORAL ANSWERS TO QUESTIONS . 6637—73

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2134	Cooperative Societies in Tripura	6693–94
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2148	Cherapunji coal mines .	6708–09
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2175	Minimum Wages . .	6722
2176	Factories manufaturing poisonous insecticides .	6722–23
2177	Working Group on tea .	6723
2178	Hindustan Antibiotics Ltd.	6723–24
2179	Praga tools Corporation Ltd.	6724–25
2180	Large Scale Industries .	6725
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2182	Royal India, Pakistan and Ceylon Society . .	6726
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2192	Pool Guarantee Fund .	6733–34
2193	Retrenchment in the Ministry of Rehabilitation	6734
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2195	Middle Income Group Housing Scheme . .	6735
2196	Vacant polts in Nizamuddin, Delhi . .	6736
2197	Studies in regional Development	6736–37
2198	C.P.W.D. staff in Sikkim, Nepal and Bhutan .	6737
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2202	Utilization of allocations for Third Plan . .	6739–40
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2207	Indo-Pakistan trade	6741
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2210	Displaced families in Bhusandpur	6742–43
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2223	Powerlooms in Maharashtra and Gujerat	6749
2224	Netaji Subhas Chandra Bose	6749
2224-A	Export of hides of cows and calves	6750

PAPERS LAID ON THE TABLE 6750–51

The following papers were laid on the Table :

(1) A copy of the Annual Report of the Trade Marks Registry for the year ending 31st March, 1960, under Section 126 of the Trade and Merchandise Marks Act, 1958.

(2) A copy of each of the following papers under Article 323 (1) of the Constitution:—

(i) Tenth Report of the Union Public Service

PAPERS LAID ON THE TABLE—*contd.*

Commission for the period 1st April, 1959 to 31st March, 1960.

(ii) Memorandum explaining the reasons for non-acceptance of the Commission's advice during 1959-60.

(3) A copy of the following:—

(i) Report of the Second Enquiry on Agricultural Labour in India (Vol. I-All-India).

(ii) Notification No. G.S.R. 1467 dated the 10th December, 1960 making certain further amendment to the Employees' Provident Funds Scheme, 1952, under sub-section (2) of Section 7 of the Employees' Provident Funds Act, 1952.

(iii) Summary of proceedings of the Eighteenth Session of the Indian Labour Conference held at New Delhi on the 24th and 25th September, 1960.

(4) A copy of the Standards of Weights and Measures (Conversion of Land Areas) Rules, 1960 published in Notification No. S.O. 2874 dated the 3rd December, 1960 , under sub-section (3) of Section 17 of the Standards of Weights and Measures Act, 1956.

MESSAGES FROM RAJYA SABHA 6752

Secretary reported two messages from Rajya Sabha that Rajya Sabha had agreed without any amendment to the following Bills:—

(1) Forward Contracts (Regulation) Amendment Bill, 1960.

(2) The Preference Shares (Regulation of Dividends) Bill, 1960.

	COLUMNS
REPORT OF COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS PRESENTED	6752

Seventy-fifth Report was presented.

REPORT OF PUBLIC ACCOUNTS COMMITTEE PRESENTED	6753

Thirty-first Report was presented.

CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE .	6753—56

Shri Atal Bihari Vajpayee called the attention of the Prime Minister to the reported prevalence of slavery in the North-East Frontier Agency.

The Deputy Minister of External Affairs (Shrimati Lakshmi Menon) laid on the Table a statement in regard thereto.

STATEMENT BY MINISTER	6756—66

The Minister of Commerce and Industry (Shri Lal Bahadur Shastri) made a statement regarding cloth prices.

BILL INTRODUCED .	6766

The Marking of Heavy Packages (Amendment) Bill, 1960.

BILL PASSED . .	6767—6835

The Deputy Minister of Finance (Shrimati Tarkeshwari Sinha) moved for consideration of the Industrial Finance Corporation (Amendment) Bill, 1960. An amendment for reference of the Bill to a Joint Committee was moved by Shri Prabhat Kar which was negatived. The motion for consideration of the Bill was adopted. After clause-by-clause consideration the Bill was passed.

	COLUMNS
MOTION RE: REPORT OF INTERMEDIATE PORTS DEVELOPMENT COMMITTEE . . .	6835—92

Shri T. B. Vittal Rao moved the motion re: Report of Intermediate Ports Development Committee. Shri T. B. Vittal Rao replied the debates and the motion was adopted.

DISCUSSION ON MATTER OF URGENT PUBLIC IMPORTANCE . .	6892—6951

Shri Khadilkar raised a discussion regarding the appointment of Shri A. K. Chanda, former Comptroller and Auditor-General as Chairman, Finance Commission. The Minister of Finance (Shri Morarji Desai) replied to the debate and the discussion was concluded.

AGENDA FOR THURSDAY, DECEMBER 22, 1960/PAUSA 1, 1882 (SAKA)—

Consideration and passing of the Children Bill, as passed by Rajya Sabha.

GMGIPND—LS II—1675(Ai)LS—30-12-60—900.